

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 18, 1930

GIVES UNPARALLELED SERVICE

1931
Bring your reinsurance problems to
us and begin the New Year well!
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The Oldest
Casualty & Surety Reinsurance Company
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REINSURANCE FOR INSURANCE COMPANIES ONLY

He is safe from danger who is on guard even when safe



SENTINEL FIRE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

PROVIDENCE, BOSTON, NEW YORK, BALTIMORE

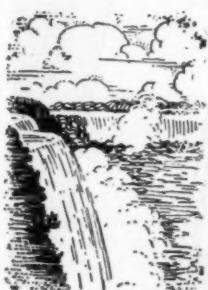
HARDING & LINN, Ins. Agents, Chicago. — GEORGE W. DORNIN, Mgr., San Francisco

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AMERICA FORE



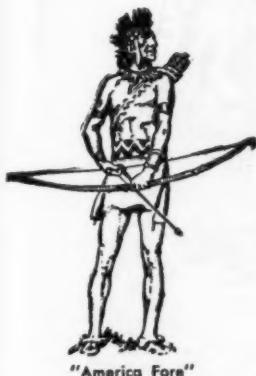
"America Fore"



"America Fore"



"America Fore"



"America Fore"



"America Fore"



"AMERICA FORE"

AMERICA FORE

HOLIDAY
GREETINGS

At this season of good will toward men it is my pleasure to convey to our Agents, the greetings of the entire America Fore organization.

Throughout a trying year, the measure of success we have attained in the face of adverse conditions, has been due to your unstinted effort, loyalty and good will.

It is our sincere wish that your Christmas will be a happy one and that the coming year prove to be a most prosperous one for you. You can depend upon us for every possible assistance to help make it so.

THE CONTINENTAL INSURANCE COMPANY OF NEW YORK
FIDELITY-PHENIX FIRE INSURANCE COMPANY OF NEW YORK
NIAGARA FIRE INSURANCE COMPANY OF NEW YORK
AMERICAN EAGLE FIRE INSURANCE COMPANY OF NEW YORK
FIRST AMERICAN FIRE INSURANCE COMPANY OF NEW YORK
MARYLAND INSURANCE COMPANY OF DELAWARE

ERNEST STURM, Chairman of the Boards
PAUL L HAID, President

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK
ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
PAUL L HAID, President

NATION'S BUSINESS

Time again to measure value for insurance

DURING the past year . . .

Have there been additions to your plant or store or home?

Have you added new furniture, new fixtures?

Have your engineers developed new processes that entailed new machinery, new materials?

Time makes change—and change means different values. Value is the basis of insurance. So we say it's time again to measure value.

Naturally you don't want to pay for more insurance than you need. At the same time you should be sure that you are protected against financial loss.

Now is a good season to check your present values against your insurance policies . . . to check your policies against each other to see that they conform.

Play safe. At little time or trouble you can make sure you are completely covered against loss from fire! The Agricultural agent in your community will be glad to assist, without the slightest obligation. Call him. You'll find him fully competent and easy to work with.

Agricultural
Insurance Company,
of Watertown, N.Y.

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"A plank weighed
Then the fence, the thing to be
piled on the other
weight of the stones."

When writing please mention Nation's Busin

You can obtain Agricultural Policies for all coverages such as:
FIRE - PARCEL POST
AUTOMOBILE - MARINE
USE AND OCCUPANCY
RENT AND LEASEHOLD
WINDSTORM - FLOATERS
SPRINKLER LEAKAGE
REGISTERED MAIL
TRANSIT - EARTHQUAKE
TOURISTS' BAGGAGE
EXPLOSION AND RIOT
AIRCRAFT DAMAGE

The National Underwriter

Thirty-Fourth Year No 51

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 18, 1930

\$4.00 Per Year, 20 Cents a Copy

Texas Loser in Commission Case

Court Rules Insurance Board Can't Fix Items of Rate

APPEAL IS EXPECTED

Constitutional Points Ignored by Court; Board Acted without Legislative Authority, Opinion States

A decision adverse to the board of insurance commissioners of Texas has been handed down by the third court of civil appeals, Austin, in the famous case of Commercial Standard vs. Board of Insurance Commissioners testing the authority of the state to fix what commissions may be paid. The state is expected to appeal the case to the state supreme court on application for a writ of error. The appellate court enjoined the board from enforcing its order of May 1, 1929, prescribing a maximum commission of 20 percent on fire insurance and 25 percent on automobile, with restriction to pay solicitors of companies 10 percent less than is paid agents, and agents not to pay less than 10 percent to their own solicitors.

The court declined to review the constitutional points at issue, inasmuch as the court decided that, under the Texas statutes, the board does not have expressed or implied power to enforce its commission fixing order. The constitutional point raised by the Commercial Standard was that the order was unreasonable and void because it is in violation of the constitutional guarantee of freedom of contract between employer and employee.

No Power to Fix Items

Associate Justice Baugh pointed out that, although the law specifically gives the board power to fix maximum rates, "nowhere is any expressed authority given by law to regulate or control the items, elements or charges entering into or going up to make up the aggregate premium rate."

The board contended that power to fix premiums went with the power to fix rates, because premium charges constitute the largest single item in the rate. "Absence of power in the law for the board to fix specific commissions or to prescribe elements of expense entering into the rate must be construed as the legislative denial of such power," the opinion says.

The court upholds the contention that if the board has power to regulate commissions it also has power to regulate all other constituent items of the rate. If it assumed such power, "it could and would usurp the control and management of such corporation itself, a function vested by law in its board of directors," the court declared.

The court intimated that the board can fix rates which it thinks embrace a reasonable allowance for commissions

C. C. Wysong Resigns His Indiana Official Post

TO ENGAGE IN LAW PRACTICE

Is Now the President of the National Convention of Insurance Commissioners

INDIANAPOLIS, Dec. 18.—C. C. Wysong, for the past four years Indiana insurance commissioner, has tendered his resignation to become effective Jan. 1. Mr. Wysong's term of office expired Oct. 1. He has not been a candidate for reappointment as he wishes to return to the practice of law and will open an office in Indianapolis at once after leaving office. He will specialize in insurance and it is understood that he will represent all classes of the business.

Was Formerly a Lawyer

Mr. Wysong, before his appointment four years ago, practiced law in Indianapolis and gave particular attention to insurance. His record as insurance commissioner is highly commended by insurance men generally. He brought to the office a good knowledge of insurance law and, as much of the business of the department is legal in nature, he was able quickly to grasp the details of his duties. His administration is also regarded as having been ably conducted in behalf of the insurance buying public. His official record will compare favorably with the best in the history of the department.

President of the Commissioners

No Indiana insurance commissioner has been better known nationally than Mr. Wysong because of his prominence in the work of the National Convention of Insurance Commissioners, which culminated with his election last September as president of this body. In his national activities he has also given a good account of himself and brought credit to the Indiana department. He has appeared as one of the leading speakers on many programs of national insurance organizations and has gained some renown as a public speaker.

Governor Leslie, it is understood, will name his successor within a few days. Prominently mentioned as the new commissioner in Indiana is J. C. Kidd of Brazil, head of the Kidd Insurance Agencies of that city. The two partners are J. C. and L. S. Kidd. The life insurance men are back of F. M. Dickerman of Indianapolis, who is manager of the Guardian Life. Others have been mentioned also in this connection.

and thus control the situation from that angle. This, it is pointed out, would stop the companies from pleading large commissions as a reasonable element of the rate sought. Competition might cause exorbitant commissions, the court declares, but it adds that the board could meet this situation by fixing a rate based on reasonable commissions. This declaration might be interpreted as meaning that the board can utterly ignore large commissions, even though it cannot regulate them by specific order.

The Texas case and the New Jersey case are the two important litigations

Form Western & Southern Fire to Sell Industrial

LIFE, CASUALTY AFFILIATE

Cincinnati Group Becomes the First Multiple Line Fleet Outside of Hartford

Interests behind the Western & Southern Life, and the American Liability & Surety of Cincinnati have organized the Western & Southern Fire to write industrial fire insurance with premiums payable on a weekly basis as is done by the Western & Southern Life. It is assumed that the industrial agents of the Western & Southern Life will sell the fire policies and make the collections as they make their rounds.

At present the Home of New York is the only large stock company maintaining an industrial fire insurance department. The International Mutual writes industrial business in Chicago, Cleveland and Cincinnati.

The Western & Southern Fire will have a capital of \$250,000 and a surplus of \$250,000 which has been subscribed and paid in by prominent citizens of Cincinnati.

Where It Will Operate

At first the Western & Southern expects to transact business only in Ohio, Indiana, Kentucky, West Virginia, Illinois, Michigan, Missouri and Pennsylvania but it is ambitious to cover the entire country eventually.

C. F. Williams, vice-president of the Western & Southern Life, and his associates, are the organizers of the new company. The incorporators are given as Mr. Williams, A. I. Vorys, R. A. Ryan, S. E. Stilwell and F. C. Williams.

Officers of the Western & Southern Fire will be Mr. Williams, president; C. P. Johnson, vice-president and counsel; R. A. Ryan, vice-president; J. F. Ruehlmann, vice-president; W. C. Safford, vice-president and general manager; S. E. Stilwell, vice-president and actuary; C. C. Stayman, treasurer; I. E. Sanford, secretary. The directors are C. F. Williams, C. P. Johnson, R. A. Ryan, A. L. Vorys, W. H. Lueders, F. C. Williams, E. S. Runnels, S. E. Stilwell, J. F. Ruehlmann, J. D. McCracken, W. C. Safford.

In announcing organization of the company Mr. Williams pointed out that the Western & Southern is now the first insurance fleet writing life, fire and casualty outside of Hartford.

In May, 1928, the Western & Southern interests acquired control of the American Liability & Surety which now has \$500,000 capital and \$1,000,000 surplus.

in the country involving the right of a state to regulate commissions. The New Jersey action is before the United States Supreme Court.

At the January session of the Texas legislature an effort will be made to have a law enacted giving the board authority to fix commissions paid to agents, on the grounds that these enter into the acquisition costs of business. Some insurance men say a measure can be drafted that will confer such author-

(CONTINUED ON PAGE 37)

More Publicity on Examinations

Insurance Commissioners Convention Will Go on Record as to Expense

SOME ABUSES CHARGED

Action Taken on Important Subjects by the State Supervisors at Mid-year Meeting

The National Convention of Insurance Commissioners took an advanced step on publicity with regard to company examinations at its meeting in New York by adopting a resolution offered by Commissioner Dunham of Connecticut, as follows:

"That the secretary be instructed from this date to notify each commissioner of all convention examinations and to report to the convention annually the names of all companies examined, who participated and the amount of charges paid for the examination and to whom."

Complaint as to Charges

There has been some complaint in certain quarters regarding high fees charged by examiners. It has been stated that people were sent to make examinations who were not experts but who were paid high fees and expenses thus increasing the cost of examinations materially. It has even been charged that certain departments used this method for political purposes in getting examiners appointed who were not capable of going over the books of insurance companies. There has been an increasing number of complaints as to this process so that the insurance companies felt that the commissioners, in criticizing expense ratios, were really doing something to increase them through this method. The companies feel that only competent examiners should be appointed, that no more than necessary should make the examination, that examinations should not be unduly prolonged and that reasonable charges should be made. Some examinations have become a financial burden.

No Change in Security Valuations

The committee on valuation of securities decided to make no recommendation for a change of system, thus allowing market values that are scheduled Dec. 31 to prevail. There was considerable discussion as to whether some action could be taken to modify this procedure in view of the present condition in the stock market. It was felt by some that securities might be still more depressed by the end of the year and that unless some more lenient plan were made a hardship might be forced on some companies. However, the committee felt that no modification should be made.

The committee on authorized insurance appreciated the work of Commiss-

(CONTINUED ON PAGE 48)

Salvage Volume Less This Year

Smaller Inventories, Elimination of Jobber Responsible, Forbush Believes

LOWER PRICES FOR GOODS

Plenty of Country Buyers Searching for Bargains with Which to Meet Chain Store

The Underwriters Salvage Company of Chicago celebrated its 25th anniversary Dec. 13. In commemoration of that anniversary, an attractive brochure giving the history of the enterprise has been issued. It tells the story of the organization of the company, its original directors, its officers during the 25 years and a statement of its usefulness. C. W. Higley is president; John C. Harding, vice-president, and W. R. Townley, secretary-treasurer. W. P. Forbush is manager.

Although losses this year are substantially higher, the turnover of the Underwriters Salvage Company of Chicago has not been as great as in 1929, according to the statement of W. P. Forbush, manager. The first six months of this year, however, are largely responsible for the reduction in volume. Since the middle of the year salvage trade has been brisk. Probably the Underwriters Salvage Company is the only enterprise, success in which is measured by the slowness of its operation.

Mr. Forbush finds two factors responsible for the decrease in salvage in the face of a mounting burning ratio. Inventories are lower. Retailers are holding their stocks down and manufacturers are not making surplus stocks, many of them only filling orders. Accordingly, when a fire occurs, there is usually less for the salvage company than in previous years.

Another factor is the vanishing of the jobber, the middle man, a process which has been in progress for several years. Mr. Forbush said there are virtually no more wholesale grocery or dry goods houses in existence. The chain store with its more or less clear channel between manufacturers and retailers is in a large part responsible for the disappearance of the middle man, Mr. Forbush believes. As the middle man is being eliminated, a world of fire hazard is being eliminated.

Two Factors Responsible

Not only is the volume of the salvage company less this year, but the stocks are bringing much lower prices, in sympathy with the downward trend of prices in all commodities. There have been, however, just as many if not more customers than in previous years, the chain stores being credited by Mr. Forbush again with this occurrence. The independent country merchants, who constitute 80 percent of the customers for the Underwriters Salvage Company of Chicago, are eager to offer some attraction to offset their competitors, the chain stores. Salvage goods, if acquired at a sufficiently low price, are a prize to the independent country merchant, who can feature and advertise them as a leader. On staple goods, the turnover of the salvage company is rapid.

Mr. Forbush observes that the general store in rural districts is gradually going out of the grocery business. Salvage customers tell Mr. Forbush the reason is that it is almost impossible for the independent merchant to com-

(CONTINUED ON PAGE 37)

Edward Milligan Is Again Named as E. U. A. President

OPTIMISTIC FEELING FOUND

Situation in Various Trouble Centers Reviewed at Annual Meeting of Organization

NEW YORK, Dec. 17.—An unusually large attendance of members of the Eastern Underwriters Association at its annual meeting attested the interest company executives take in existing conditions in the underwriting field and in the policies pursued and contemplated by the organization for meeting the issues within its particular jurisdiction.

Reviewed Progress Made

While little positive action was taken, a wide range of subjects was discussed at considerable length, informing the members generally as to the progress made in meeting the situations in Boston, Philadelphia and Allegheny county, Pa., and in dealing with other matters of lesser moment elsewhere. The prevailing sentiment among the members was one of optimism, despite certain discouraging factors. The general belief is that the business will emerge from the existing depression in due course and will be the better for the refining to which it has been subjected the greater part of the present year and which it is likely to experience for several months to come.

Old Officers Reelected

All former officers of the association were unanimously reelected, as follows: President, Edward Milligan, president Phoenix of Hartford; vice-presidents, Paul L. Haid, president America Fore companies, and William Mackintosh, assistant United States manager Royal; treasurer, B. M. Culver, vice-president America Fore group.

The executive committee is named by the president and selects its own chairman, which latter post was held last year by C. F. Shallcross, United States manager of the North British & Mer-

Reelected



EDWARD MILLIGAN

Edward Milligan, president of the Phoenix of Hartford, who was reelected president of the Eastern Underwriters Association at its annual meeting in New York, is one of the outstanding figures in American fire insurance and has been a leader in all constructive movements for the good of the business.

cantile and president of its subsidiary enterprises.

Mr. Milligan has been an important figure in the E. U. A. since its creation in 1926, and served as its vice-president previous to his election to the presidency last year.

O. E. Lane, president of the Fire Association group, was again placed on the active roll of the organization, being transferred from the honorary member list.

Now "Insurance Review"

The "Western Insurance Review" of St. Louis has changed its name to the "Insurance Review."

CONDENSED NEWS OF WEEK

Wichita agents meet Dec. 18 to decide whether to pay October balances in full. **Page 5**

* * *

Insurance Commissioner Wysong of Indiana has sent in his resignation to become effective Jan. 1. **Page 3**

* * *

Western & Southern Fire of Cincinnati organized to write on an industrial basis. **Page 3**

* * *

Ohio may be first state in the west to get supplemental contract for city dwellings. **Page 8**

* * *

Differences between Eastern Underwriters Association and Philadelphia agents believed to have been ironed out in New York meeting. **Page 8**

* * *

Executive committee of Alabama Association of Insurance Agents meets, lists three men for consideration for commissioner. **Page 29**

* * *

Frank M. Boyd of Swain & Boyd, general agents of the Hartford Live Stock at Chicago, has resigned. **Page 8**

* * *

Motor Vehicle Casualty of Chicago has been licensed by the Illinois department with \$200,000 capital. **Page 39**

* * *

The Inland Marine Underwriters Association has been launched with 149 members. **Page 8**

* * *

Clearing house plan to write depository bonds again tabled at meeting of company officials. **Page 41**

* * *

Harry T. Huff, vice-president National Surety at the head office, joins Joyce & Co., general agents at Chicago in charge of production. **Page 44**

Crucial Times for Insurance

Banking Profits Are Greatly Reduced Because of Depressed Market

RATE REDUCTIONS HURT

Difficult to Plant Smaller Companies in Fleet on Account of Agencies Being Overloaded

NEW YORK, Dec. 17.—This has been a decidedly crucial and discouraging year for fire insurance executives. There has been a combination of conditions and circumstances that has combined to place the business at a severe test. If the companies merely had to face the results of the business depression the burden would not have been easy. Insurance like all other activities has felt the blow. Business of all kinds has been retarded. Insurance companies therefore are met with declining premium incomes. Companies have had to make a readjustment in their investment portfolios because some of them were relying far too much on the banking end to carry them through.

Huge Profits Are Cut Down

The huge profits earned in that department in the past have been eliminated almost entirely. Assets have depreciated in value. Financial statements this year will be scrutinized most carefully and they will present a different picture than they have during the last three or four years. Fortunately for fire insurance in 1930 there has not been a great conflagration or a disastrous windstorm involving huge losses. The loss ratio is higher than before because of the decreased income. With the decreased premium income, expenses have mounted. Every office is confronted with the necessity of dealing with overhead. Regardless of the decline of premium income, the fixed expenses continue. Perhaps the expense item bothers the executives more than almost any others. The complexities of the business have done much to increase expenses.

Feeling of Bitterness Found

There is a feeling of bitterness at many company headquarters over the rate reduction in Western Underwriters Association territory. So far as most of the executives here are concerned they claim that this action was not justified. The agents, the executives declare, are in a rebellious mood because of it inasmuch as their income has been cut, as they see it, without reason. Company officials declare that rate reductions of this character are usually unwise because insurance has to be studied from the standpoint of averages over a comparatively long period. Unfortunately this reduction is followed by a storm and stress period in general business. Perhaps even the advocates of the reduction would like to see the old rates restored as they did not foresee the condition that would arise.

Missouri Refunds Are Heavy

The central west is certainly in the doldrums from the fire insurance standpoint this year. The decreased rates have had a material effect. The companies figure that as a general rule the reduction means a loss of from 6 to 8 percent. The large amount paid for litigation and especially in Missouri and the refund paid to policyholders in that state has cut very deeply into the coffers. The expense in getting out the

(CONTINUED ON PAGE 48)

Vital Adjusting Problems Are Discussed in Chicago

A variety of current problems including cigarette losses, increased moral hazard, radio claims and the important matter of adjusters' methods in securing proofs of loss occupied the December meeting of the Western Loss Association in Chicago Tuesday night. Of all these, claims, particularly from hotels, for damage to tablecloths, furniture, etc., as a result of careless cigarette smokers appears to be the most troublesome. President Thomas Heald told of the attempt of a large Detroit hotel to put through an accumulation of about \$300 of such claims under the fire policy carrying only about \$900 premium. He said the manager finally was convinced that this damage should be treated as maintenance, the same as broken dishes, etc., and he urged this as the best argument in opposing such claims.

Urge Consistent Policy

G. W. Lilly, past president, said companies either should deny all claims or pay all, otherwise they are in a contradictory position. One difficulty is in differentiating between materials, and dissatisfaction of assureds often results from paying a loss on table linen and not one on a woolen rug. Hotels are constantly pressing for the privilege of accumulating losses from this cause. Mr. Heald said this is an impossible situation and companies could not possibly make money on hotels if such claims were recognized. He said Cook County, Illinois, is the "worst place in the world" in this respect. Mr. Lilly suggested inserting a \$50 deductible clause in the contents policy, and also said such losses should regularly be referred to adjusters.

Mr. Heald announced that an attempt to secure consideration of a plan to broaden household policies to include lightning damage to radios was unsuc-

cessful. Manager J. V. Parker of the Western Actuarial Bureau replied that not much extra premium thus could be obtained and it would put companies in the radio repair business. Mr. Lilly said the companies are in this business now without benefit of extra premium.

Another important question discussed was the routine method of some adjusters in securing assured's signatures to blank proofs of loss and inserting material later. This was considered a dangerous practice, although common in the early days of fire insurance. Mr. Lilly said some assureds are not even aware they have sworn to statements later ascribed to them. Some adjusters take the blank signed proofs to local agents for notarial seal.

Committee Is Sought

Mr. Lilly urged appointment of a committee to draft rules and instructions for adjusters, opposing this practice of executing proofs for assureds. He said adjusters also should be required to submit original work sheets on estimates with their reports. He told of a case in which an adjuster nominally showed that he had pared a large loss almost in half when in fact, Mr. Lilly said, what he had done was to add a substantial sum to his original estimate, and this latter, he said, was nearly double the actual loss. Mr. Lilly said proofs of loss really are of great importance and it might jeopardize a company's case if it were found the adjuster and not the assured had made the statements in the claim.

In regard to moral hazard, Mr. Heald said there is too much compromising and Mr. Lilly added that payments often are too prompt. Companies are too lenient with crooked claimants. It was the sense of the meeting that companies owe a duty to honest policyholders to oppose all crooked claims.

Improper Use of Casualty Affiliates Is Condemned

A statement in condemnation of organization fire companies using their casualty affiliates for paying excess commission, cutting rates or granting other concessions, appeared in the service bulletin of Cobb, Miller & Stebbins, Denver general agents. "When fire insurance executives and field men," the bulletin states, "in their respective organizations join together for the purpose of promoting reforms in underwriting, control of expenses, stabilization of the ethical conduct of the fire insurance business" as is so glibly stated, and then through the medium of some casualty company proceed to crucify their fellow members, who may or may not also operate a casualty company, the situation is indeed reprehensible and injurious to the welfare of such organizations as a whole.

"The predominating correlation of interests between the casualty and fire insurance companies, must and will be eventually recognized," the statement concludes, "but in the meantime the companies which are honorably conducting their affairs and seeking no business through the devious ways resorted to by less ethical organizations, as usual, are penalized."

Caldwell & Co. Holdings

Among the assets scheduled by the receiver of Caldwell & Co. of Nashville during the week were Georgia Casualty stock \$47,000; Southern Fire of New York stock \$20,059; Southern Surety stock \$570,529.

Advertising Conference to Meet in Toronto in 1931

Definitely selecting Toronto as the convention city of the Insurance Advertising Conference in 1931, the executive committee, which met in New York, has designated Oct. 4-7 as the dates for the annual conclave.

It will be possible under this arrangement, it was announced by C. S. S. Miller of the North British & Mercantile, president, for the members to avail themselves of the fare-and-one-half rate in transportation, in connection with the Direct Mail Advertising Association, which meets at Buffalo Oct. 7-9.

South Dakota Agents Meet in Sioux Falls, Jan. 13

The annual meeting of the Insurors of South Dakota, the state association of local agents, is to be held in Sioux Falls, S. D., Jan. 13, according to an announcement by J. D. Dux, secretary. The program is in process of preparation. Jay B. Allen, Sioux Falls, is president, and H. F. Wilson, Aberdeen, vice-president.

Wait Funeral Is Held

The following insurance men connected with the Union Auto of Los Angeles were pallbearers last Wednesday at the funeral of Ira T. Wait, vice-president, in Kansas City: James E. Rasmussen, Milwaukee; W. A. Miles, Chicago; Campbell and Govering, St. Louis; Fred Groth, Lincoln, and L. K. McConnell, Minneapolis.

In Reinsurance



J. W. COCHRAN

J. W. Cochran, former president of the Fire Association group, is entering the reinsurance business in New York as vice-president of the American Reserve and the Lincoln Fire. The reinsurance department of the Lincoln Fire is under the management of T. B. Boss, president of the American Reserve.

E. L. Mulvehill, who has been executive vice-president of the Reinsurance of America (which was recently acquired by the American Reserve), has been elected treasurer of the Lincoln Fire. He is the son of J. H. Mulvehill, vice-president of the Globe & Rutgers. He has had experience in investment banking as well as insurance.

Texas Receiver Is Asked for Home Fire, Arkansas

AUSTIN, TEX., Dec. 17.—Commissioner Tarver of Texas, chairman of the insurance board, Tuesday requested the attorney-general to file suit for a receiver for Texas business of the Home Fire of Fordyce, Ark., which has been declared insolvent and for which a receiver has been appointed in Arkansas. The decision to take this action came after the board was unsuccessful in obtaining a reinsurance contract to handle policies of the company in Texas. Bids were called for Monday by the board, but no offers were received.

Appointment of a receiver in Texas would enable the board to collect on bonds of the company in the American Surety for protection of policyholders and claimants. Mr. Tarver explained that practically all business of the company has been rewritten or taken over individually and not collectively by other Texas companies.

The receiver appointed in Arkansas requested the Texas board to have a receiver appointed with jurisdiction in Texas. No receiver will be requested for the handling of policies of the Home Accident Company, also of Fordyce, Ark., another member of the A. B. Banks fleet found insolvent. Chairman Tarver said, as that company has neither property nor surety bonds for protection of Texas policies, and a receiver under the conditions would be of no value.

Mallalieu Heads Club

W. E. Mallalieu has been elected president of the 25-year club of the National Board. The vice-president is R. G. Bennett; secretary-treasurer, A. P. Hutson.

The New York City Blue Goose is preparing for a big time at its annual beef-steak dinner at Ton's, Newark, N. J., Jan. 19.

Wichita Agents Meeting Today

To Decide Whether to Pay October Balances in Commission Row

SOME RESIGN COMPANIES

Letter From Agent Protesting Action of Kansas Association Heartens Executives

In the Kansas commission issue between agents and companies all eyes are focused on the regular meeting of Wichita agents Dec. 18 when their attitude will be revealed. None of the Wichita board agents have paid their October balances pending the outcome of this meeting which it is felt will also influence the leading agents throughout the state especially the members of the state association.

C. K. Foote, president Kansas Association, states that many of the prominent agents throughout the state resent the statement made last week that the matter was settled. This is far from true, he states, as the situation has not cooled off in the least.

A meeting of the executive committee of the state association is proposed for Dec. 19 immediately following the Wichita meeting to determine their policy. It is probable that a bulletin will be furnished some 1,000 agents on the mailing list of the state association explaining in detail the entire proceedings of the Excelsior Springs conference together with a full history of the case and the status of the agents now involved and the agents will be expected to determine for themselves individually if they are warranted in carrying their contentions further.

Agents Forward Balances

All Hutchinson agents with the exception of the Carey Agency are reported to have forwarded their September balances last week. Wade Patton, manager of the Carey Agency, and secretary of the state association, announced following an agency conference that they had decided not to pay. No further action has as yet been taken by the companies.

As a result of the Salina agents' stand last week it is understood that two agents have resigned their companies while a third was suspended. Agents generally throughout the state have paid their September balances but are understood to be waiting this week's development before paying October. It is thought that some will hold out their commission in October regardless of the action of the Wichita agents.

Salina Agencies Resign

Several agencies in Salina and one in Hutchinson have resigned some or all of their companies in the commission controversy. The Dodge agency at Salina was the first to resign its companies. A member of that agency, Clinton B. Dodge, is a member of the state legislature and is reported to have threatened to bring the issue to the attention of the legislature. Companies believe that Mr. Dodge's position will be weak, however, inasmuch as he will be asked for full commissions while policyholders receive only one-half of the impounded premiums. The amount impounded was approximately \$6,000,000 and as a result of the settlement of the 8-year rate controversy in Kansas \$3,000,000 was returned to policyholders.

(CONTINUED ON PAGE 40)



CHRISTMAS GREETINGS and with Franklin may we "wish thee Health, Wealth, and Happiness" and may Prosperity reward thy Industry.



The FRANKLIN FIRE INSURANCE COMPANY of PHILADELPHIA

ORGANIZED 1829



WILFRED KURTH, Pres.

Kansas Agents in Farm Quiz

Committee Seeks Evidence With Which to Get Change in Form

LENGTHY QUESTIONNAIRE

Kansas Commissioner Will Be Asked to Call Conference of Companies and Agents

In an attempt to get evidence with which to demand from the companies a change in the farm form in Kansas, the special committee on farm forms appointed at the last annual meeting of the Kansas association has distributed a questionnaire of fact and opinion to farm writing agents of Kansas. Ross Case of Marion, Glenn Charlton, Lawrence, and Fred Swisher of Pratt compose the committee.

The present farm forms and rules were severely criticized recently at the Wichita meeting of the local agents. In its Nov. 6 issue, THE NATIONAL UNDERWRITER published some of the criticisms which Mr. Case had made and presented an answer to those criticisms by one of the leading farm managers in the west. The bulletin to agents mentions this article and the questionnaire involves some of the points brought out by the manager.

The special committee of the Kansas association was instructed to prepare modifications of the policy form and rules and then ask the Kansas commissioner to arrange a conference with a special committee of the companies for discussion of the situation with the idea of securing the adoption of "a better policy form and a more reasonable set of rules."

Text of Questionnaire

The questionnaire follows in part:

We demand a credit for electric lights. The company manager says electric lights cause more fires than kerosene and gasoline lamps. What is the experience in your county?

In your county, what percent of average and good farm dwellings are equipped with electric lights?

How many farm dwellings in your county sustained fire loss caused by electric wiring within the past year?

How many farm dwellings were burned from other causes?

How many farm barns sustained fire loss caused by electric wiring? How many lanterns? How many from other causes?

We maintain that the rule requiring a pro rata clause where the herd consists of more than 29 head is foolish, and that a farmer will not lose a larger percent of his herd by one stroke of lightning if it is a large herd than he will if it is a small herd, which is the reason for the following two questions:

During your whole experience what is the largest percent of loss to livestock in your county where the herd consists of 100 or more head? In herds of 29 or less?

Cattle and Horses

We contend that the limit of \$60 per head on cattle is too low, claiming that cattle are now worth more than horses, although the rules allow a limit of \$150 on horses, our claim being that most of the horses in Kansas are growing old and have very little value. The company manager claims that we are all wet on the proposition. In your county what is the value of the average work horse?

What is the value per head of three-year-old steers in the feed lot? Of two-year-old stock cattle? Of milch cows? Of stock cattle three years old or older? Of yearlings? Of calves under one year old?

The present policy form does not insure seeds of any kind against fire and lightning while in the stack. We claim that most farmers have more or less stacked alfalfa, clover, millet, and other kinds of seed and that they should be insured in the grain item just the same

as grain is insured. What percent of your farmers raise some alfalfa, clover, millet, or other kind of seeds which is temporarily in the stack or shock?

The new policy form limits the amount of insurance on hay in the stack to \$100 per stack. We claim that this is radically too low. What is the size in tons of the average stack of alfalfa in your county? Of large stacks?

Farm Machinery Item

We contend that tractors, combines and other power machinery except threshing machines, hay balers, trucks, and power corn shellers should be insured under the farm machinery item and at the same rate. A summary of your answers to the following questions will prove whether or not we are correct in this assumption:

How many tractors are owned in your county? How many tractors are insured at the present rate? How many tractors were burned last year outside of the buildings in which they were housed?

How many were burned in the buildings in which they were housed by fire originating in or from the tractor? How many combines are owned in your county? How many are insured at the present rate? How many combines were burned within the last year in the field in which they were operating? How many combines were burned in the buildings in which they were housed, by fire originating in or from the combine? How many one way plows or other power machinery aside from hay balers, trucks, threshing machines, and power corn shellers were burned outside of the buildings in which they were housed? About how many of such implements are in use in your county. How many of such implements are insured?

How much insurance premium could be collected per year in your county for insurance on farm machinery if the tractors, combines, etc., could be insured in the regular farm machinery item and at the same rate?

Unoccupancy Clause

We contend that the clause in the farm policy which voids the policy after the property is unoccupied for more than ten days, is unjust as this does not give the farmers an opportunity to leave his farm long enough to make any kind of a visit or take a vacation. We believe that many farmers take vacations lasting from two to six weeks each year and that the policy form should be changed so that such farms could remain unoccupied for at least two months at one time. What percent of the farmers in your county take such vacations?

The company manager claims that tramps get into such unoccupied houses and burn them. We contend that there are very few tramps on the road except on the through highways and that the farmers living off the through highways have very few visits from tramps, and that therefore this supposed hazard does not exist. What percent of the farmers in your county except those living on through highways are bothered with tramps?

Within the past year, how many cases of vandalism of any kind have occurred in houses, the occupant of which was taking a vacation of not exceeding 60 days?

What percent of the electric wiring in the farm buildings which you have inspected have serious defects in its installation?

We object to the coverage in the present policy on ground and manufactured stock feed which insures such feed in the item of hay. The rule providing that not more than 10 percent of the policy can be written on the item with a maximum limit of \$500. The company manager claimed that there is a provision for insuring ground and manufactured stock feed in a separate item. We can find no such exception in the rule book nor in the policies of any of the companies which we represent. In the application of the companies for which you write, is there a separate item covering ground and manufactured stock feed?

In your opinion are the policies and rules in use since Jan. 1, 1930, fair to the farmer?

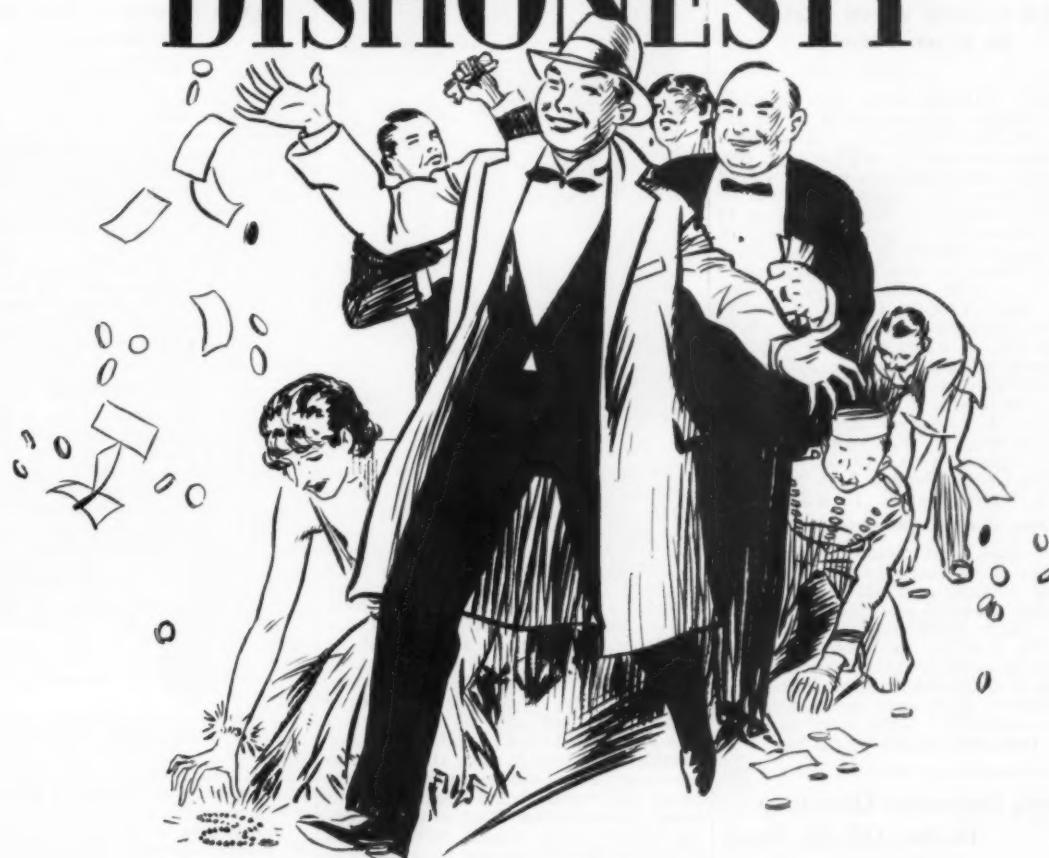
Do you believe that with the present rules and farm policy form, you are equipped to protect your business from mutual competition?

Merit Schedule

The company manager disagrees with our contention that we should have a merit schedule of rates for farm property, the same as for town property, whereby the farmers will pay the proper rate for the different items in the policy, based on the cost of carrying each item. For instance, we claim that the dwelling and granary should take a lower rate than the barn. Do you not believe that you would have better success in selling farm insurance if you had an equitable merit schedule of rates to use instead of a flat rate on all of the property?

We contend that nothing should be uninsurable and that a rate even though it be a prohibitive one, be made for windstorm loss on windmills, grain in the stack or any other item which can be found on the farm. Would it not make the handling of your business easier if such rates were in vogue?

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The employer should himself co-operate with the bonding company, in keeping posted on the employee's home conditions and personal rate of living. And he should also see that any man who handles cash is paid a salary adequate for his reasonable needs.

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PHILADELPHIA

Inland Marine Association Launched With 149 Members

R. B. IVES ELECTED PRESIDENT

To Formally Launch Organization
Jan. 1—Albert Wilcox & Co. to
Be Secretary-Manager

NEW YORK, Dec. 17.—Unconditional pledges of membership to the Inland Marine Underwriters Association have been received from 38 groups, representing 149 companies writing inland marine lines. The organization will be formally launched Jan. 1, according to action taken at the general meeting of the signatory offices here on Dec. 15.

The officers of the new organization are: R. B. Ives, president Aetna, president, and Hendon Chubb, president Chubb & Son, vice-president; Albert Wilcox & Co., of which R. T. Marshall is president, will act as secretary-manager. The executive committeemen are: C. C. Macy, chairman, J. C. Keegan, L. C. Lewis, V. L. Gallagher, E. J. Perrin, F. W. Koeckert, W. F. Boylan, J. Zorn, George Jordan, G. C. Long, Jr., J. C. Braislin, Lyman Candee, J. P. Hollerith, W. H. McGee and C. H. Timberlake.

May Control Additional Lines

The association assumes immediate jurisdiction over all personal effects and tourist floaters, personal jewelry, personal fur, jewelers' block and parcel post lines. Such additional divisions as it may be possible to control will be studied by appropriate committees, with a view to their stabilization. These will be reported upon once the survey has been completed. The basic commis-

(CONTINUED ON PAGE 48)

Illinois Insurance Directory Is Just Off the Press

The 1930 edition of the Illinois Insurance Directory has been issued by THE NATIONAL UNDERWRITER. The book has been considerably improved and the arrangement modified for the greater convenience of readers. This is a book of reference, it being an insurance directory giving full information regarding companies and agencies in all parts of the state. Illinois is a great insurance state. The directory of Chicago, which is included in the Illinois book, is a book in itself. The Illinois directory is one of the most important that comes from the press of THE NATIONAL UNDERWRITER.

Frank M. Boyd Resigns from Hartford Live Stock

F. M. Boyd of Swain & Boyd of Chicago, general agents of the Hartford Live Stock, has tendered his resignation. Mr. Boyd is a veteran live stock underwriter and is one of the best posted men in the business. He started at Crawfordsville, Ind., in 1916 with the old Indiana & Ohio Live Stock, serving it eight years. He was its secretary when it was reinsured by the Hartford Live Stock. He went to Chicago in 1916 with the Hartford Live Stock and has been continuously in its employ. W. A. Swain is the other member of the firm.

Keller Now Manager

NEW YORK, Dec. 17.—Frank Keller, formerly assistant manager of the automobile department of the Fire Association fleet of Philadelphia, has been advanced to manager of the branch, succeeding G. L. Kerr, resigned. Mr. Keller has devoted his entire insurance career to the automobile business and possesses an intimate knowledge of it.

Will Go Up



JESS G. READ

Owing to the resignation of Commissioner Wysong of Indiana, who heads the insurance commissioners, Commissioner Jess G. Read of Oklahoma, first vice-president of the National Convention of Insurance Commissioners will become the president. Mr. Wysong presided at the recent meeting in New York. During the incumbency of Commissioner Dunham of Connecticut as president of the commissioners' organization, Mr. Wysong was first vice-president. Mr. Wysong added greatly to his laurels last week by speaking before the Association of Life Insurance Presidents. Clare A. Lee, Oregon commissioner, is second vice-president and hence will travel up the line. This will bring Commissioner Read as the presiding officer at the annual meeting. He is one of the best known state officials.

Neal Bassett Optimistic as to Business Outlook

NEWARK, Dec. 17.—In a talk before the Surety Underwriters Association of New Jersey, Neal Bassett, president of the Firemen's of Newark and affiliated companies, stated that while the year just about to close has not been a very happy one, not so much from losses sustained as on the investment side, insurance is the foundation of the business situation throughout the country and that the business should look with confidence into the future. The situation in the east, he said, is a little worse than in the west, but the business is now going through an elimination process and the turning point is just around the corner. While prosperity is not going to come with a rush, he said, it is bound to come.

He also touched briefly upon the "qualification laws" of several states. He said, in his opinion, they are very good, but a man to qualify to do business in the east would not fit in a small community in the south or west. The same qualifications are not needed all over the country and in some cases, he said, the law works hardships. He concluded by speaking briefly on uniform commissions now in effect in several states, including New Jersey. He stated that he is not in favor of the state dictating the amount of wage a man should receive.

President John F. Clark announced that the annual meeting will be held Jan. 6. Among the guests at the luncheon were H. P. Reardon, president of the Casualty Underwriters Association of Northern New Jersey; James Heyer, vice-president Metropolitan Casualty, and Russell Riley, manager of the Newark branch of the Commercial Casualty.

Philadelphia Agreement Is Believed Well Under Way

MEETING HELD IN NEW YORK

Eastern Underwriters Association and Agents Reported to Have Ironed Out Difficulties

PHILADELPHIA, Dec. 17.—Hopes that a new agency agreement between Philadelphia agents and the Eastern Underwriters Association finally would be signed before the close of 1930 have been shattered. However, the outlook is far brighter now than it has been at any time during the negotiations of the past several years.

A meeting was held in New York last week between the agents' committee and the territorial committee of the E.U.A. What happened at this meeting is unknown, as company men and agents alike refuse to say.

Agents' Secret Meeting

Report is that the basis for a new agreement was agreed on and all differences have been ironed out. The first official meeting of the newly organized Philadelphia Association of Insurance Agents is to be a secret confab. This meeting originally was scheduled for the latter part of this month, to follow on the heels of the New York meeting last week. However, President Goodwin of the National Association of Insurance Agents, who is to be the principal speaker, has been ill and the meeting was postponed until next month, when, it is hoped, he will be well enough to attend.

It is believed that at this meeting, the committee will report on the session in New York with the E.U.A. committee and will set forth the terms of the proposed agency agreement with a recommendation that it be adopted.

The session will be held some evening in January behind locked doors with all members of the press barred. However, it is believed that when the meeting is over, there will once more be peace between the E.U.A. and the Philadelphia agents.

Trade Paper Tells of Financing Repair Jobs

Local agents who are investigating the finance plan for insurance premiums will be interested in a recent article in the "Automobile Trade Journal and Motor Age." The "Automobile Trade Journal" says to garage owners: "You can get spot cash for many of those repair jobs your customers want to charge. How? By selling the work on the time payment plan. . . . It is surprising how many owners there are who can't dig up \$30, \$50, \$150 or some other sum in cash to pay a repair bill, but who can be depended upon absolutely to pay a few dollars weekly until the debt is discharged. Time payment selling of maintenance isn't new. It has been tested long enough to prove that, properly handled, it is a sound, business getting and profitable method of selling service."

Among the advantages of the finance plan are listed the following:

It increases sales.

It brings in more of the big, profitable jobs.

It reduces open account business and the losses that go with it.

The problem of financing insurance premiums is an acute one with many agents. Recently the First Bancredit Corporation of Chicago ran a page advertisement of its premium finance plan and was so overwhelmed with replies that further advertising had to be postponed. The financing of insurance premiums not only gives the agent the money to pay his company but enables him to enjoy the commission as soon as the business is written.

Ohio May Get Supplemental Contract First in West

FORM IS NEARLY COMPLETED

Rent Insurance May Be Included in Assortment of Coverages for City Dwellings

A supplemental contract for dwellings in the west will probably be submitted to the subscribers' actuarial committee late this week or early next week. The form of the contract is all but completed, but the drafters are still busy with rate research.

The supplemental contract for the west will certainly differ as to rates from the contract authorized by the Eastern Underwriters Association and it will probably differ substantially as to form. In addition to windstorm, hail, riot and explosion, and aircraft or motor vehicle property damage it has been proposed that the endorsement in the west include rent insurance.

It has been indicated that at first the supplemental contract may be introduced only in a few states, possibly only one for purposes of experiment. Ohio may be selected as the first state for the contract inasmuch as there has been much agitation in that state for a comprehensive fire policy and especially in Cleveland.

Cleveland Committee Action

A committee of the Cleveland board, composed of J. W. Frazier, C. O. Ransom, and C. G. Hale, has submitted a proposal to the companies for what they describe as a single amount specially printed policy." The Cleveland agents do not favor the supplemental contract because of the necessity of a separate sales effort for each special coverage, "each of which carries a premium insufficient to make such special sales effort profitable."

The committee prefers that a true multiple form of policy be adopted in which the hazards insured against are recited consecutively and in one body but points out that a combination of the New York standard fire policy and the plan of the modern multiple cover automobile fire and theft policy, molded into one, would be much more marketable than the present Eastern Underwriters' Association plan.

Suggest 20 Cent Rate

The Cleveland agents suggest that a three year rate of 20 cents for habitational occupancies would be a fair figure. It is pointed out that this is just half of the windstorm rate. If each of these coverages was purchased separately the cost would be 39½ cents. With rents included, the total cost of the coverage if purchased separately would be 72 cents. It is entirely unlikely that a 3-year rate as low as 20 cents will be authorized.

In Eastern Underwriters territory, the supplemental contract may be sold only on city dwellings. Drafters of the contract in the west have been attempting to develop a coverage which could be sold on apartment buildings and apartments even if part of the building were used for business.

National Board's Report on Losses Shows Further Rise

NEW YORK, Dec. 17.—Fire losses in the United States in November totalled \$35,682,577, compared with \$29,061,860 in the same month of last year. The aggregate losses in the country for the first 11 months of 1930, the National Board reports, were \$420,942,812, greater by \$38,454,031 than those for the corresponding period of 1929. The losses last month were broadly distributed as to territories and risk classification, farm and dwelling properties continuing to show an exceptionally bad record.

FIRE — AUTOMOBILE — WINDSTORM — SPRINKLER LEAKAGE — MARINE



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The leading weekly insurance newspaper

Report Auto Fire Losses Unusually Heavy in 1930

THEFT SITUATION IS BETTER

Gains on Collision It Is Hoped Will Make Whole Line Profitable Despite Moral Hazard

NEW YORK, Dec. 17.—Automobile fire losses have been unusually heavy this year, it is generally reported, and there is a conviction that a considerable percentage is due to moral hazard. Claims for fire damage are coming from all sections of the country, and on every type of car. Usually the cause given is "backfiring." It is odd that in most cases loss occurs on a county highway distant from fire protection and damage is often total.

Formerly most automobile losses were caused by theft, but improvement in car construction and superior organization of theft bureaus of insurance companies working closely with state and municipal police, has reduced this hazard considerably. Now fully 90 percent of stolen cars are recovered. Police realize that theft of a car usually means that it was stolen to commit a more serious crime and they are alert in their auto theft work as it aids generally in crime detection. Criminals also are aware of this fact and do not resort to stealing cars for this purpose so much as in the past.

The increasing fire losses are said to be offset by improvement in the theft situation, so that experience of companies in 1930 should be satisfactory. By virtue of the rate reduction applicable in many sections, falling off in premiums is estimated will be about 12 percent. It would have been even greater except for gains on collision feature which companies have stressed in order to get volume and spread which would make automobile insurance profitable.

New England Exchange Meet

Nomination Made at Boston Gathering—Chief Officials Remain But Some Changes Contemplated

BOSTON, Dec. 17.—Nominations for new officers of the New England Insurance Exchange were made at the December meeting. President J. F. Gough, the second vice-president and some members of the executive committee hold over for a second year, but the following were named as candidates: For first vice-president, G. E. Moffette, National of Hartford, and for executive committee, W. H. Raymond, Michigan F. & M.; D. B. Sherwood, Commercial Union, and Walter Davol, Hartford.

New active members elected were F.

Fire Companies Attention

Established General Agency, member American Association Insurance General Agents handling business in Missouri, Kansas, and Iowa seeks connection with automobile department of Fire Company. Few large finance accounts in addition to regular fire and theft lines. Especially interested in Missouri and Kansas. Address S-18, The National Underwriter.

WANTED: Reputable fire company has an opening for a Special Agent in Illinois and Indiana. Only one having affiliations with the Western Underwriters Association and the ability to extend an agency plant need apply. Good opening for a high grade man. Address S-3, The National Underwriter.

H. Payne, special agent Firemen's of Newark, for Maine, New Hampshire and Vermont, with headquarters at Portland, Me.; H. B. Ward, special agent Boston and Old Colony, for Connecticut, with headquarters at New Haven; and D. F. Dick, special agent Caledonian American and other companies for Connecticut with headquarters at Hartford.

Resignations were L. G. Howell, former assistant manager farm department Home of New York at Worcester; F. R. Campbell, special agent Firemen's Fund, and J. E. Curtis, special agent Granite State for Connecticut, who has gone with the Fire Association special risks department in Philadelphia. A resolution was adopted on the recent death of H. H. Hickok at Burlington, Vt.

Form Porto Rico Institute

The Instituto de Seguros or Institute of Insurance has been organized in Porto Rico by men prominent in the Porto Rican insurance field. The initial meeting was held under the auspices of the University of Porto Rico. Dr. Oriz, dean of the college of commercial administration; A. R. Soltero, superintendent of insurance, and Rafael Rios, manager Negociado de Industria y Comercio, were largely responsible for bringing the insurance representatives together.

Officers of the new institute are: Alberto Lee, president; Frank Rodriguez, vice-president; C. S. Fory, general agent Pan-American Life, treasurer.

Protest Postage Increase

The executive committee of the Insurance Advertising Conference, meeting in New York, unanimously passed a resolution protesting against the proposed increase in first class postal rates from 2 to 2½ cents. It was declared that the additional 25 percent impost would increase the expenditures of the companies and their representatives, of whom there are more than 200,000, by hundreds of thousands of dollars. A telegram of protest, signed by C. S. S. Miller, president of the conference, was sent to Third Assistant Postmaster General Tilson.

Auto Insurance Men Held

Five employees of the Union National Automotive of Los Angeles have been arrested and charged with having collected \$30 each from motorists for full protection accident insurance, legal services, towing service and similar protection, but that when adjustment of claims was sought company representatives pointed out a joker clause in the agreement which disclaimed responsibility. Southern California motorists are said to have lost more than \$600,000 through the transactions of this concern. The men arrested were E. R. Carlisle, Tom Mahoney, H. W. Clarke, Roy Ingerson and Wayne Stafan.

The insurance department explained that the company sold memberships rather than actual policies and therefore did not come under the jurisdiction of the department.

Bowles Passes Bar Quiz

George A. Bowles, Virginia commissioner, passed the state bar examination last week. He says that now that the state quiz is behind him he will concentrate on the study of insurance and corporation law. Mr. Bowles is rounding out his first year in the office of insurance commissioner. He is well liked by members of the insurance fraternity because of the fairness and impartiality he has shown in handling cases that have come before him since he entered upon the duties of the office.

Buck Back From Coast

S. M. Buck, western manager Fireman's Fund, who has been visiting the home office at San Francisco for three weeks, has returned to Chicago.

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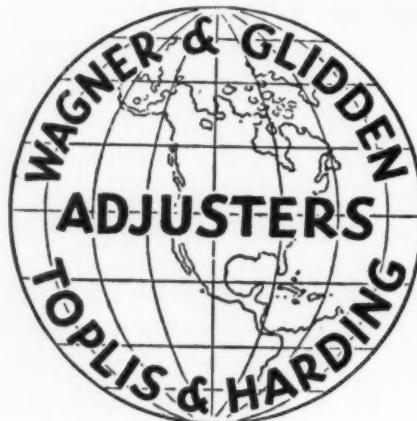
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Missouri Supreme Court Affirms Its Former Position

ACTS ON REFUNDING ISSUE

State Officials Desired Special Commission Named to Receive the Monies Due Policyholders

The Missouri supreme court sitting en banc has handed down a formal written opinion affirming its former position of refusing to assume responsibility for the refunding of excess premiums due policyholders under the 10 percent reduction order of Former Superintendent Hyde made in October, 1922, and later sustained by the state and federal courts.

Superintendent Thompson and Attorney General Shartel had filed the motion asking that the court appoint a special commissioner or commission to administer the refund of the excess premiums. Under their plan of procedure the companies would not have made refunds direct to policyholders but instead should pay the gross total of refunds due on their Missouri business for the period affected direct to the court's commissioner, who in turn would refund to individual policyholders.

Would Have Gone to State

It has been estimated that the 217 companies will have \$1,000,000 or more in excess premiums which they will be unable to pay back as refunds through inability to locate the policyholders to whom refund should be made. Under the motion rejected by the supreme court this surplus of refund money would have diverted to the state instead of remaining with the companies.

Justice Atwood wrote the opinion which holds that the Missouri supreme court's jurisdiction in the 1922 rate cases ceased with the April, 1926, term of court. That was the term in which the court handed down its decision upholding the Hyde reduction order of 1922.

The total of excess premiums involved in the famous 1922 rate case is approximately \$14,000,000. Companies have been making refunds to their policyholders for several months now and while no figures showing the total amount of refunds already made are available it is believed that the greater portion has already been paid back to policyholders.

UNIFORM PRINTING SEEKS RETURN OF INCOME TAX

The Uniform Printing & Supply Co. of Chicago, which is owned by the insurance companies, has filed suit asking a return payment of \$41,523 from the collector of internal revenue. The bill of particulars states that the company is a "business league" whose stock is owned by 200 insurance companies. There is no provision in the by-laws for any distribution of profit. In the suit it is stated that in 1918 at the end of the year there was a surplus of \$74,521. The collector of internal revenue in 1924 demanded tax of \$34,061 with interest. A protest was filed with the department and a ruling was made against the printing company. Then the Uniform Printing & Supply Co. instituted actions until the case was taken to the U. S. Supreme Court. Following a decision the printing company on Nov. 26 paid under protest \$41,523 to the collector at Chicago. Then the new court action followed in which demand is made that the collector be ordered to return the money to the printing company on the ground that it is organized as a "business league."

FIELD CHANGES

Reynolds in Permanent Post

Former Montana State Agent Supervises Mountain Field for Home of New York

DENVER, Dec. 17.—H. A. Reynolds, temporary state agent here for the Home of New York, has received a permanent appointment. Mr. Reynolds came here from Great Falls, Mont., where he represented the Home 12 years. He was state agent there for seven years, and prior to that he was special agent. Mr. Reynolds got his start in the insurance business in Minneapolis with the Jones-Davis agency.

The special agents who have been with the Home here for some time will be retained to assist Mr. Reynolds. They are J. M. Heath, covering southern Colorado and New Mexico, and J. G. Marchbank, traveling in northern Colorado and Wyoming. Chester Long, who recently was attached to this office as engineer, will cover the three states.

J. K. Shannon, A. L. Hannah, Jr.

New appointments in the North Carolina field by the Firemen's of Newark group include J. K. Shannon as state agent for the Firemen's and Mechanics, and A. L. Hannah, Jr., as state agent for the Girard Fire & Marine. Both will have headquarters in the North Carolina Bank building, Greensboro.

W. H. McGervey

W. H. McGervey of Xenia, O., who for the past six years has been state agent for the Employers Fire in Ohio and West Virginia, has resigned. He has not announced his future plans.

VALUED POLICY RULING IS MADE IN OREGON

The valued policy provision of the Oregon insurance law which was declared by the Oregon supreme court to be repealed by implication in *Sheridan vs. Pacific States Fire* was not reenacted by the last sentence of section 6386 which reads, "Nothing herein contained shall be deemed to repeal or modify section 6458," the state supreme court has held in the case of *Haberly vs. Farmers Mutual Fire Relief*.

NO JURISDICTION OVER AUTOMOBILE SERVICE CLUBS

SAN FRANCISCO, Dec. 17.—Stating that it has no jurisdiction over the organization, the California insurance department reports however, that it is closely watching the investigation Los Angeles police are making of the Union National Automobile Association, a so-called "two service" club which was also acting as an insurance broker in connection with memberships. The police have arrested several salesmen and are seeking others on the charge that money has been obtained under false pretenses on some form of insurance scheme. However the insurance department which has jurisdiction over clubs rendering three specified services, announces that it proposes to strengthen the auto club law at the next legislature.

E. R. Hardy's Wife Dies

Friends of E. R. Hardy, secretary-treasurer Insurance Institute of America, will sympathize with him in the loss of his wife, Dr. Sarah Drowne Belcher Hardy, who died Monday as a result of a stroke.

Charges of rebating filed against W. H. Fancher, manager of the Leake County Insurance Agency, Carthage, Miss., were dismissed by the Mississippi insurance Commission.

STRENGTH IS SAFETY



Photo by Ewing Galloway

Cash Capital
\$24,000,000.00

Net Surplus
\$48,796,473.07
(Accumulated over 77 Years)

Surplus to Policyholders
\$72,796,473.07

Additional Funds
\$40,714,883.00
(Pro rata Unearned Premiums)

Reserved
for Miscellaneous Accounts, Taxes, Dividends and
Other Obligations

\$13,239,446.26

Assets

Cash on hand, funds conservatively invested or current
balances payable when due

\$126,750,802.33

STRENGTH is the main factor in safe building construction. Every piece of steel that goes into the skeleton framework of a building must be capable of withstanding stresses and strains greater than it will ever be called upon to carry.

The financial strength of The Home Insurance Company of New York has attained that degree of safety through the consistent building up of a financial reserve capable of withstanding the strain of constantly occurring losses, the occasional heavy burden of conflagration and periods of business depression.

THE HOME INSURANCE COMPANY NEW YORK
ORGANIZED 1853 WILFRED KURTH, President
59 MAIDEN LANE

Strength



Reputation



Service

NEWS OF THE COMPANIES

Speyer Quits New Zealand

Coast Veteran of 27 Years and Active Organization Worker Succeeded by Assistant, W. A. Louis

SAN FRANCISCO, Dec. 17.—Announcement was made in San Francisco Tuesday that W. M. Speyer, United States manager of the New Zealand, will retire from active business life Dec. 31 and will be succeeded by W. A. Louis, for many years his assistant.

Mr. Speyer joined the company about 27 years ago, and a few years ago was appointed United States manager. He has always been among the most active in the insurance organization affairs and for practically all of this time was secretary of the San Francisco underwriters fire patrol. He has also served as president of the Pacific Board, as well as on its most important committees.

Metropolitan in Arkansas

The Metropolitan, the new fire reinsurer in the Rossia group, has been

granted a license in Arkansas for reinsurance only. It shows a capital of \$200,000 and a surplus of \$305,000. The Rossia expects to put the Metropolitan into operation after Jan. 1.

St. Paul's Special Dividend

The St. Paul F. & M. has declared a special dividend of \$1.25. "The same dividend," the St. Paul informs stockholders, "was paid in December, 1929, because the experience of that year was exceedingly favorable. The earnings for 1930 are approximately only half of those for 1929, but the same special dividend is paid because of the exigencies of the situation generally, and is justified by the earnings for 1930 and the position of the company's net surplus."

Examine Associated Companies

The California department, with other states participating, started the preliminary work on a convention examination of the Associated Indemnity and Associated Fire & Marine Dec. 15, in

compliance with a request for such procedure made by the companies through President C. W. Fellows.

Hampton Roads Deposit in Virginia Won't Cover Claims

RICHMOND, VA., Dec. 17.—George A. Bowles, Virginia commissioner, who has been appointed receiver for the Hampton Roads Fire & Marine in this state, has taken charge of the deposit of \$10,000 held in the state treasurer's office for the protection of Virginia policyholders. He has advised Virginia agents that this probably is insufficient to pay in full liabilities arising from claims already incurred and which may be incurred during the period for which the present policies are written. He suggested that they take steps to protect policyholders by covering them in some licensed and solvent company.

BREGEL CO-RECEIVER

Judge Solter of the circuit court in Baltimore has appointed H. C. Bregel co-receiver for the Hampton Roads Fire & Marine. The order was made on a petition filed by the National Fidelity Fire. D. S. Lowe was appointed re-

ceiver Nov. 19 on complaint of Commissioner Rider of Maryland.

May Reduce Par Value

Directors of the National Fidelity Fire of Baltimore are considering a proposal to be submitted to stockholders to reduce the par value of the stock from \$10 to \$2 a share. The stockholders meeting will be held Dec. 24.

Company Notes

The Metropolitan Fire and the Federal Mutual Fire have been licensed in Michigan.

The Essex Fire, Nevada Fire and Lion Assurance of Los Angeles have been licensed in Ohio.

The Central Fire of Baltimore has applied for license in Rhode Island. J. A. Gebelein has been elected to fill the vacancy on the board caused by the death of C. L. Hilgartner.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle Street, Chicago, as of Dec. 16.

Stock	Div. per Share	Par Share	Bid	Asked
A. Lincoln Life..	10	1.20	37	..
Aetna Cas.	10	1.60	60	65
Aetna Fire	10	2.00	42	44
Aetna Life	10	1.20	45	48
Agricultural ...	25	4.00	90	100
Amer. Alliance..	10	1.60	21	24
American, N. J. ..	5	1.00	16½	18½
Amer. Surety ...	25	6.00	78	83
Automobile ...	10	1.20	26	28
Baltimore Amer. ..	5	.80	6	8
Boston100	16.00	450	480	
Brooklyn5	5	1.20	10	12
Carolina10	1.50	24	26	
Chi. Fed. & Cas. ..	25	..	11	15
City of N. Y....100	16.00	250	275	
Contl. Assur.10	2.00	62	65	
Continental Cas.10	1.60	32	34	
Continental Ins.10	2.40	39	41	
Fidelity & Dep.50	9.00	130	135	
Fidel.-Phenix ...10	2.60	44	46	
Fire Co. of Chgo.25	15	
Firemen's10	2.20	27	29	
Franklin5	1.60	24	26	
Glen Falls10	1.50	48	50	
Globe & Rutgers.100	24.00	540	580	
Great Am. Indem.10	..	20	25	
Great Am. Insur.10	1.60	23	25	
Hallifax10	1.20	18	20	
Hanover10	1.60	27	29	
Harmonia10	1.50	22	24	
Hartford Fire.10	2.00	52	54	
Htd. St. Boller.10	1.60	50	53	
Home, N. Y.10	2.00	31	33	
Home Fire See.10	..	8	10	
Homestead10	1.00	16	18	
Independ. Indem.5	..	5	7	
Independ. Fire ..5	..	5	7	
Ins. Co. of N. A.10	2.00	45	47	
Knickerbocker ..5	1.50	17	20	
Lincoln Nat. Life ..10	2.50	80	85	
Lincoln, N. Y.10	2.40	20	30	
Merchants, Com.10	2.00	56	61	
Merchants, Pfd.100	7.00	110	..	
Metropolitan, Ill.10	1.00	8	10	
Mo. State Life.10	1.20	17	19	
National Cas.10	1.20	18	20	
National Fire ...10	2.00	48	50	
National Liberty.5	.50	6	8	
National Surety.50	5.00	50	51	
National Union.100	12.00	175	185	
New Brunswick.10	1.50	24	27	
New Hampshire.10	*1.60	45	50	
N. Am. Life (old) ..50	10.00	..	170	
Northern, N. Y.25	4.00	85	95	
North River10	2.00	42	46	
N. W. National.25	5.00	90	100	
Peoples Natl.5	.50	4	6	
Philadelphia Nat.10	1.20	15	18	
Phoenix10	2.00	60	63	
Preferred Accl.20	3.00	50	53	
Prov. Wash.10	2.20	37	39	
Republic Fire10	2.00	16	19	
Rossia10	2.20	18	20	
Springfield25	4.50	95	102	
St. Paul F. & M.25	5.00	160	170	
Sun Life100	*25.00	1500	1600	
Travelers100	24.00	850	870	
U. S. Casualty ...25	4.00	54	59	
Westchester10	2.50	38	44	

*Extra dividend paid.

All Lake Steamers in Port

BUFFALO, N. Y., Dec. 17.—Closing the 1930 navigation season voluntarily, all the steamers on the Great Lakes were reported in port at midnight Dec. 13, although there was no ice or other barrier to navigation at that time. A number of cargoes were covered by extension insurance beyond the regular expiration, without a loss of any character as far as could be learned here.



**SPECIALIZING
IN
AUTOMOBILE
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EXCLUSIVELY**



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IOWA AND PENNSYLVANIA

12 Splendid Chapters

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Old Picture Fading Out; Why We Created a Sales Department; Sales Force; Selection of Salesmen; Training Sales Organization; Salesmen's Equipment; Compensation to Salesmen; How Prospects Are Created; Watching the Newspapers; Renewal Business; Insurance Programming.

CHAPTER III *Advertising*

Advertised Service; Panels of Advertising; Road Signs; Newspaper Advertising; Radio Announcements; Novelty Advertising; Exceptional Advertising.

CHAPTER IV *System in General*

What Our System Does; Equipment; Forms Used in Fire Department; General Routine; Course of Order for New Business; Routine of Preparing Renewals; Flow of Detail Relating to Endorsements; Bookkeeping and Cashier's Department.

CHAPTER V *Credits*

Credit Ratings; Collections.

CHAPTER VI *Engineering Department*

Inspection; Engineering Reports; Changes Affecting Rates.

CHAPTER VII *Claim Department*

Agent's Responsibility; Loss Adjustments; Adjusters; Routing and System.

CHAPTER VIII *Bonding and Casualty Department*

CHAPTER IX *Automobile Department*

Specialization Necessary; Bigger Possibilities; Methods Used to Secure Business; Loss Claims; Renewals; Mutual and Other Competition; Agent's Responsibility; System Employed; Trend of Business.

CHAPTER X *Company Automobiles*

Regulation of Cars.

CHAPTER XI *Agency Statistics*

CHAPTER XII *Company and Agency Relations*

What Constitutes a Good Agent?

A new book on Agency System and Management

What Energy and Initiative Will Do in the Local Agency Field

TEEN years ago B. D. Cole went to West Palm Beach, Florida, and purchased an insurance agency. The agency had been organized more than twenty-five years before, at a time when West Palm Beach was not much more than a trading post. It had passed into the hands of various successors, and at the time he took it over, June 2, 1919, it had become a branch of a real estate concern.

The insurance end of the business was conducted in the extreme rear of the office, with an organization of two employees devoting only a part of their time to insurance. Considerable business had been running off the books for various reasons, but principally on account of lack of system and effort. The very splendid list of companies represented was one of the favorable features of the business.

Although Mr. Cole had but one acquaintance in West Palm Beach when he bought the agency, he succeeded in holding practically all of the business on the books at that time.

The normal population of the community at the time the business was acquired was approximately 10,000. The 1930 census gives the combined population of West Palm Beach and Palm Beach as 28,299.

During these ten years the business has developed from less than \$45,000 of premiums a year, to more than \$700,000 in net premiums, in 1929. The agency now has twenty-four salaried employees. During the period the county and community have experienced a pronounced real estate boom with its reaction; fourteen bank failures; and the consequences from the most severe cyclone Florida has ever experienced.

Several years ago the expirations of two comparatively small agencies were purchased, but the business was almost wholly the direct results of the B. D. Cole, Inc., organization.

Mr. Cole was, of course, a thoroughly trained and experienced insurance man. Combined with his knowledge of the business are unusual qualities of sympathetic and intelligent leadership, a strong practical idealism, and an infinite capacity for taking pains.

Mr. Cole has written a book about his experience in the local agency field and in this book he draws a very clear picture of the methods, ideals, and plans he has followed in achieving this truly remarkable record. But behind these pages, the reader will get a picture of an almost ideal insurance agency, with every activity systematized for greatest efficiency and results, alert to grasp and follow up every opportunity for increased business, continuously and persistently watchful of every point which might lead to better satisfaction to customers, better service to the companies represented.

The fundamental ideas upon which the business has been developed are perhaps not new; many of them have been urged upon agents, in conventions and insurance journals, time after time. For Mr. Average Agents they were "too much bother—wouldn't pay for the time and trouble."

This is Mr. Cole's big contribution: he has proved that these ideas and methods are not merely theory; but thoroughly practical, workable, profitable principles for building a local agency.

He first developed them in a practical way, and then proved that they do work.

NOW IN PRESS Take Advantage of the FREE Examination Offer

The tremendous volume of business secured in a very limited territory proves that these business-building methods do get the business; the analysis of the agency's expenses, shown in Chapter XI, prove that the business is secured at reasonable expense.

"THE AUTOBIOGRAPHY OF A SUCCESSFUL INSURANCE AGENCY"
will be an inspiration, and a source of intensely useful and helpful information to every one interested in local agency work

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Send me copies of B. D. Cole's new book "THE AUTOBIOGRAPHY OF A SUCCESSFUL INSURANCE AGENCY," allowing me the privilege of inspection and return within ten days—Single Copy Price \$2.00.

Name

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City

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AS SEEN FROM CHICAGO

FORM LOYALTY ASSOCIATION

Employees in the Insurance Exchange offices of the Firemen's of Newark group have formed a loyalty association, the purpose of which is to promote social activities for employees and good fellowship. At a meeting held in the Chicago Board room the employees elected W. L. Dopheide president, E. J. White vice-president, Miss Eleanor Ahern secretary and Mrs. Florenz Darnell treasurer. The organization intends to hold at least two dinners a year and an annual Christmas party, the first to be given Dec. 24 in the old quarters of the Chicago office of the Commercial Casualty, 1337 Insurance Exchange.

* * *

INSURANCE CLUB ACTIVE

A series of special activities to last two weeks is planned by the Insurance Club of Chicago, President J. W. Bolton announces. They will start Dec. 22 with a concert in the club's quarters on the eighth floor of the Insurance Exchange by the Exchange orchestra. The following noon, Ernest Palmer,

manager Chicago Board, will address a luncheon meeting on a subject to be selected later. At noon, Dec. 24, the Marsh & McLennan quartet will give a concert. The series will continue the succeeding week with interesting programs at noon meetings Dec. 29-31. There will be musical entertainment Dec. 24 and 31. President Bolton states that all insurance men are invited and the club will hold open house on the days indicated. The object is to create interest and increase membership. The club's educational committee is undertaking a campaign to assist the Chicago Board in boosting registration in the classes sponsored by the Insurance Institute of America.

* * *

FIRE DEPARTMENT APPROPRIATION

Ernest Palmer, manager Chicago Board, is communicating with all the insurance agencies in Chicago urging that employees solicit their aldermen to respond to the request of Fire Commissioner A. W. Goodrich for an appropriation in the budget of \$10,705,371 for the fire department. This sum, according to

Mr. Palmer, is required to "even properly maintain the department." Last year the department sought \$10,000,000 and received \$8,000,000.

ORGANIZES COUNTRY CLUBS

Much interest has developed in fire insurance circles in the campaign being conducted by the McGuffin Advertising Agency of Chicago to reduce the cost of fire insurance on country clubs throughout the middle west. Questionnaires, signed by J. D. McGuffin, head of the agency, were sent recently to country clubs throughout Illinois, northern Indiana, southern Wisconsin, and in the St. Paul-Minneapolis territory, asking for information as to the fire insurance carried on the club buildings and contents, value of club buildings and contents, total annual fire insurance premium, total fire losses for the last five years.

A few days ago results of the inquiry were sent to the clubs. They showed an average fire insurance rate on the clubs of \$1.98 and a loss ratio of 33 percent. Stock fire insurance people pointed out that the results were not tabulated as to classification, structure, territory, etc.

Mr. McGuffin declared that the campaign is not being sponsored or promoted in any way by reciprocal or mu-

tual interests. As president for three and a half years of the Euclid Hills Country Club near Chicago, Mr. McGuffin declared that he had been distressed by the insurance cost and in looking about for some method of effecting economy in that item he decided upon the present inquiry after an informal conference with a number of insurance men and country club executives. Although not ready to make public his plans, which he said were somewhat nebulous, he indicated that some sort of country club interinsurance exchange might be formed by the country club interests themselves.

Mr. McGuffin said that no attempt had been made in the tabulation to classify results. He said that those that responded had reported fire insurance rates varying from 50 cents to \$4.

* * *

INSURANCE QUOTA FILLED

The insurance division of the Cook county emergency relief campaign has gone over the top. Its quota was \$50,000 and the last report was that \$50,029 had been subscribed. Ernest Palmer, manager Chicago Board, was in charge. It was discovered that in addition \$25,000 is being distributed directly by insurance offices in Chicago to relief work through other agencies.

* * *

NOMINATING GROUP SELECTED

The nominating committee to select candidates for the annual election of the Chicago Board Jan. 22 consists of O. E. Aleshire, Parker, Aleshire & Co.; A. F. Powrie, Fire Association; Allan I. Wolff, Klee, Rogers, Loeb & Wolff; L. E. Yager, L. E. Yager & Co., and W. E. Rollo, Rollo, Webster & Co.

* * *

INSURANCE PATROL PARTY

The Chicago Board's annual party for the children of employees of the fire insurance patrol of Chicago is to be held Dec. 22. All of the children under 13 years of age are to be given Christmas presents.

* * *

KORRADY BECOMES BROKER

Karl B. Korrady of Chicago, who recently resigned as manager of the branch office of the Connecticut General Life in his city, is entering the general insurance field connecting with the agency of Bartholomay, Darling & Co., Insurance Exchange, where he will act as a general broker. Mr. Korrady already controls a few important insurance accounts which will be the nucleus for the building of his own business. Naturally he will specialize in life insurance but he will handle all lines. Mr. Korrady started with the home office of the Illinois Life as an office boy and rose to the position of assistant superintendent of agents. For some time he was Chicago manager of the Missouri State Life.

* * *

INSURANCE KNIGHTS TO MEET

The annual meeting of the Knights of the Round Table, of the Union League Club, described as genial spirits of Chicago, is to be held Dec. 20 with W. E. Higbee of Fred S. James & Co. presiding as Deputy King Arthur in the absence of A. F. Dean, original King Arthur. W. R. Townley of the Underwriters Salvage Company will officiate as scribe. The neophytes to be elevated to squires are J. G. Hubbell, National Inspection Company; W. N. Achenbach, Aetna; R. D. Hobbs, Western Actuarial Bureau, will be raised from esquire to knighthood.

* * *

JONES & WHITLOCK IN CHICAGO

C. A. Siebold, president of the inland marine office of Jones & Whitlock, New York, spent several days in Chicago visiting his newly established western department. Jones & Whitlock was founded in 1840. The western department will represent the Globe & Rutgers, State of Pennsylvania, American Constitution, American Home, Industrial Fire and Stuyvesant, and will also have the automobile department of the Globe Underwriters and American Home.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY of Providence, R. I.

*Capital, \$3,000,000**Net Surplus, \$13,010,813*

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY Richmond, Va.

*Capital, \$500,000**Net Surplus, \$1,408,098*

INCORPORATED 1928

ANCHOR INSURANCE COMPANY Providence, R. I.

OWNED AND OPERATED BY THE
PROVIDENCE WASHINGTON INSURANCE CO.

*Capital, \$1,000,000**Net Surplus, \$808,637*

WESTERN DEPARTMENT

175 W. JACKSON BLVD.

CHICAGO

J. R. CASHEL, Manager



**FIRE ASSOCIATION
THE RELIANCE INSURANCE COMPANY
VICTORY INSURANCE COMPANY
ALL OF PHILADELPHIA**

Otho E. Lane, President James G. Maconachy, Vice President

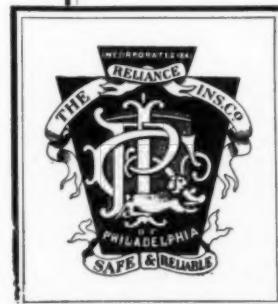
**CONSTITUTION INDEMNITY COMPANY
OF PHILADELPHIA**

Otho E. Lane, President
Franklin Vanderbilt, Vice President and General Manager

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Fourth and Walnut Streets, Philadelphia

DEPARTMENTAL OFFICES

Chicago	San Francisco	Dallas
Atlanta	Montreal	



Leg vs. brain power

Leg power alone won't get insurance men anywhere, but combine that with brain power and the result is a combination that is hard to beat.

An insurance man by using leg power can generally find prospects, but brain power demonstrated when he suggests a Lloyd-Thomas appraisal is the combination that wins for him. He wins because he gains the confidence of his clients by recommending an impartial Lloyd-Thomas appraisal and also because an appraisal accurately determines actual cash value. Knowing this value, it is possible to place the required amount of insurance on a property so it will be neither under or overinsured.

Insist upon a Lloyd-Thomas appraisal.

"**WHAT IS AN APPRAISAL?** — It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"**ITS ADVANTAGES**—1st—It discovers insurable values that have long been written off the books through depreciation; 2nd—it gives the agent, the assured, and the company value facts of property. 3rd—it makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

The Lloyd-Thomas Co.

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INSURANCE STOCKS

BOUGHT -- SOLD -- QUOTED

Mr. Howard W. Cornelius has specialized in Insurance Stocks for the past twenty years.

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Chicago

VIEWED FROM NEW YORK

By GEORGE A. WATSON

MANY SEEK NEW CONNECTIONS

Non-affiliated fire companies with offices in the east report a surprisingly large number of applications for agencies just now from the middle west. While most of them are from well established firms or individuals, almost invariably it develops that the applicant is behind in his collections and presumably is willing to make a turnover in his company representation in order to gain additional time within which to make remittances. Needless to say, applications from such agencies are not regarded with particular favor. The offices applied to properly conclude that they would be used merely as convenient stop-gaps, and as soon as existing pressure is removed and general business conditions return to normal, the agents would very likely return to their former affiliations.

* * *

EXCHANGE AGREEMENT AMENDED

Important amendments to the agreement suggested by the arbitration committee were adopted by the New York Fire Insurance Exchange. According to the amendments, the exchange membership classification shall consist of local companies, foreign companies with head offices in exchange territory and local departments of out of town companies and agencies. Committee membership is made to conform to the membership classification.

The maximum fine is changed to \$100 while the maximum penalty for delay is changed to \$1 per day. The proposed fines, according to agreement, were to have been \$250 penalty and \$2.50 per day.

* * *

TO REPORT ON I. U. B.

J. R. Dumont, manager of the Interstate Underwriters Board, at the recent annual meeting, reviewed its activities since its formation and mentioned a number of the problems with which it has still to contend. These, however, are in a fair way toward successful solution. There will be a further gathering some time in January to receive the recommendations of a sub-committee to which various questions were referred.

The governing committee of the I. U. B. consists of 16 members, 12 of whom are appointed by the president of the Eastern Underwriters Association. The remaining four consist of the heads of the four territorial governing associations, the Eastern Underwriters Association, Southeastern Underwriters Association, Western Underwriters Association and Pacific Board. The governing committee elects its own chairman, a post held the past year by P. L. Haid, president of the America Fore companies.

* * *

CONFERENCE GROUP MEETS

For years past some 16 automobile managers associated with fire companies in this city, have made a practice of meeting informally at least once every year, having a dinner and then attending a theater. They gathered again following the annual meeting of the National Automobile Underwriters Association. By virtue of the contacts thus established and maintained, the managers have been able to dispose without the slightest friction of a number of field questions that under other circumstances might have proved troublesome.

* * *

AUTO PREMIUMS ALSO DROP

Stock fire companies figure the decrease in their 1930 automobile premiums will be in about the same ratio as on the general fire line, or from 10 to 15 percent. With total premiums over \$122,000,000 last year, automobile insurance can no longer be regarded as a mere side line in the operations of a fire company.

As President R. M. Bissell of the Na-

tional Automobile Underwriters Association stated in his annual address before that organization, it must be considered as a division worthy the close attention of executives. Complaints of competition from mutuals, reciprocals and free lance stock offices are far less numerous than a year ago, indicating that the National association, despite its admitted shortcomings, has been an influence for good throughout the field. It probably will become increasingly so as time passes and member companies learn to cooperate more effectively one with another.

* * *

UNFAIR COMPETITION PROBLEM

One serious problem that the fire men have not yet been able to solve, and which must be dealt with soon or late, is the unfair competition supplied by fire companies maintaining affiliated non-association casualty companies. Through the granting of special concessions, these companies are able to influence fire risks that ordinarily would be placed with other offices in an agency. While it is highly improbable that the business will sustain one governing body with jurisdiction over both fire and casualty interests, the proposal to create a committee made up in equal degree of representatives of the two classes of carriers, to work out a plan so each would be able to conduct automobile business without encroachment on the other, is wholly practical and the selection of such a committee in the near future is more than a possibility.

Indeed, conferences between representatives of the National Automobile Underwriters Association and the National Bureau of Casualty & Surety Underwriters were held early this year, as the result of which it was agreed the former body was to have jurisdiction over collision rates and rules controlling the line, while the casualty organization in turn would control property damage. The proposed naming of a joint committee to deal with other phases of the automobile business, and especially to outline a method of doing away with unfair competition of non-affiliated casualty company subsidiaries, would be but carrying a step further the arrangement entered into months ago.

* * *

BROOKLYN SEEKS RESTRICTIONS

In order to support its plea to the New York Fire Insurance Exchange for restriction of Brooklyn agencies, the Brooklyn Fire Insurance Association is preparing a statement of the gross and net writings of all the offices in which they are represented. The Brooklyn association asks for a change in the by-laws of the New York Fire Insurance Exchange restricting the representation of each company to not exceeding two agents in the borough of Brooklyn and in Long Island City, with full writing facilities within the territory. The executive committee of the exchange requested data as to the premium income of the members of the Brooklyn association, so that it might be determined how large a percentage of business is represented by the request.

* * *

MULTIPLE LINE RISKS

Appreciating the keen interest agents in all sections have in multiple line risks, they will be interested in some of the important provisions for writing lines of this character decided upon by the New York Fire Insurance Exchange on the unanimous recommendation of a special managerial and agency committee previously appointed to study the matter. The provisions in question read:

"(A) Approved form of application must be filed with the exchange including the insured's affidavit of distribution of average values in all risks in exchange territory. Each location in exchange territory at which the policy will attach at inception must be specifically

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stated in the application and in the policy form.

"(B) Average rate of all risks located in exchange territory must be computed and published by the exchange. Such average rate shall be computed on the basis of the 100 percent average clause tariff rate applying under specific form policy without any further modification or reduction.

"(C) Limit of liability at any one location shall not exceed 30 percent of the total of the estimated average annual values at all locations as shown by the application.

"(E) Either the original policy if covering exclusively at locations in the territory of the exchange or any underlying policy covering such locations must be written at the exchange published rate and at an accredited office located in the territory of the exchange permitted by the exchange agreement to write such classes of business generally." The exchange agreement, moreover, does not contain two waivers especially granted in Form 1 of the Interstate Underwriters Board, namely:

"The insureds agree to accept and consider the assured, in the event of loss or damage, in the position of sole and unconditional owner of the improvements and betterments to buildings insured under this policy, irrespective of any contract or lease assured may have made to the contrary notwithstanding."

"With the exception of those requirements applying at the time of or subsequent to a loss, all privileges which are necessary to maintain the validity of this policy are hereby granted and all notices which are required to be given to the company by the assured are hereby waived. This, however, does not waive the condition of this or of any other rider a part hereof or attached hereto."

What percentage of general cover business originates in this city is a matter of pure speculation. It unquestionably constitutes a very large part, however, hence the importance of the action taken by the exchange and the influence

it is likely to assert on governing insurance organizations elsewhere.

* * *

COLUMBIA UNIVERSITY COURSE

The fire insurance scholarship course conducted by Columbia University in cooperation with 13 fire companies in New York City and Newark is now in its fourth year. Twenty-three students have been awarded certificates in fire insurance indicating successful completion of the two-year course. Students from 15 states are enrolled. Of those who have completed the course several have been advanced to responsible positions with the companies, and others are in line for advancement as soon as their experience warrants it.

A committee representing the companies selects the students. On this committee are E. R. Hardy, assistant manager New York Fire Insurance Exchange; W. E. Mallalieu, general manager National Board; Sumner Rhoades, manager Eastern Underwriters Association; W. J. Ward, secretary New York Fire Insurance Rating Organization; W. B. White, superintendent of surveys New York Board, and J. D. Erskine, assistant manager Eastern Underwriters Association. The cooperating companies pay all educational expenses, also \$40 a month during the academic year, when the students work in their offices on half-time, and \$80 during the summer when they work on full time. In return each student agrees to remain with his company for two years after completion of the course.

The companies supporting the course are the American, Atlas, Great American, Home, Liverpool & London & Globe, London Assurance, New York Underwriters, North British & Mercantile, Northern Assurance, Pacific Fire, Phoenix of London, Royal and Queen.

EDUCATIONAL SECTION

Explains Scheduled Property Floater

Results secured from producing inland marine business are not limited to the commission in any particular contract in this branch but carry increased prestige, build up confidence and keep intact for the agency other lines on the books for years, U. M. Lelli, general agent inland marine department Phoenix of Hartford, told the Milwaukee board in an address on this subject.

He said knowledge of the contract and enthusiasm are essential. He cited agencies that started systematic solicitation of parcel post business and/or incoming express the first of this year and built up inland marine premiums of more than \$10,000.

Mr. Lelli gave a brief explanation of many of the transportation contracts. He said the scheduled property floater presents fine opportunity for increased income because of its flexibility and because so few agents are aware of its advantages, and in addition it is a plainly written contract readily understood by the layman. Prospects for it are individuals, manufacturers, commercial establishments and professional men.

He touched on the contracts covering silverware, cameras and projecting machines, stamps and coins, outboard motors and boats, the pattern floater protecting manufacturers; neon signs, street clocks, monuments, installation risks, electrical and plumbing equipment, contractors equipment, surveyors instruments, even including blue prints, lodge uniforms and paraphernalia, camera dealer's open stocks, physicians and surgeons instruments floater, fashion shows or expositions, etc.

Mr. Lelli urged agents to study inland marine, familiarize themselves with the various contracts and rates, call on their companies for educational assistance and take advantage of the trained salesman whom the companies are glad to furnish in overcoming sales resistance.

"I urge you to ask your respective

companies to keep you informed of the changes, the new forms that they prepare from week to week as the result of a new thought or business that some agent developed in territory other than your own," Mr. Lelli said. "Obviously a contract that can be sold in Illinois, Michigan or Ohio would interest you for the same type of business in Milwaukee—if not the exact contract, then certainly you could change it to fit your community. I know from personal experience that agents who have been in the inland marine game for many years have produced premiums as a result of information given to them about certain risks written elsewhere."

He said the business man does not object to being told about interesting and necessary coverages, if the proper approach is used.

Explanation of Coinsurance

Question—How would an agent define coinsurance to the layman? How would he defend its advantages to the insured in simple, non-technical language?

Answer—The coinsurance clause is not an advantage to the insured. It is an advantage to the company, for which the company is glad to grant a reduction in premium. The simplest way to define the coinsurance clause to the layman is to explain that it provides that the insured shall carry a certain agreed percentage of insurance to value, and that if he fails to carry enough insurance, he must himself bear such part of any loss as would have been borne by the insurance which he failed to carry.

It is true it is an advantage to the assured to carry adequate insurance, whether he has a coinsurance clause or not. That is not the same, however, as saying that the clause itself is an advantage to him, because it is not.



UNUSUAL personal service is not a meaningless phrase to agents of the Yorkshire group but a real working plan that enables them to get ahead and stay there.

Will Wrighten

FIELD CORRESPONDENT

THE YORKSHIRE INSURANCE CO. LTD. LONDON & PROVINCIAL MARINE & GENERAL INS. CO. LTD. SEABOARD FIRE & MARINE AND THE YORKSHIRE INDEMNITY CO. OF N.Y.

CHURCH AND SCHOOL PROTECTION

Just the facts to interest those responsible for Church and School property sent on receipt of your request

On a single sheet of paper

THE PHOENIX INSURANCE COMPANY
HARTFORD, CONN.

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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J. M. DEMPSEY, Resident Manager

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Definition of "General Agent"

COMMISSIONER LIVINGSTON of Michigan, chairman of the special committee on commission cost of the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS, saw his very able and comprehensive report adopted at the meeting of the organization with one amendment which he himself suggested. Chairman LIVINGSTON feels that there should be some definite meaning to the term "general agent" as applied to the casualty and surety business. The AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS which is comprised largely of fire insurance general agents has set a very definite meaning to the term "general agent" in fire insurance. In other words, a "general agent" in fire insurance, in the mind of the association, and according to the rules of almost all the company jurisdictional legislative organizations is one who has supervisory power over a field and writes no local business. He receives daily reports, handles the underwriting and, in fact, does all the work connected with a regular head office. This organization is endeavoring to make the general agent purely a supervising and administrative and not a local agent. There are

some cases where general agents still write local business in the fire field.

Commissioner LIVINGSTON realized that the term "general agent" applied to the casualty and surety business cannot have the same meaning as it does in fire insurance. Every casualty general agent, so far as we know, writes local business also. He has his own business, that of his brokers, solicitors and perhaps subagents. It is impossible to divorce such from writing local business. The general agent, therefore, is a combined official.

Mr. LIVINGSTON, however, declared that the term "general agent" was a misnomer in that it was used by companies to pay the top commission to any one whether he did any supervising or not. If an agent had \$5,000 or more in premiums he was very likely to be made a "general agent." Chairman LIVINGSTON, therefore, got an amendment adopted to his report, designating a casualty or surety general agent as one who appoints and supervises agents in a district and not merely one who receives the top commission. This may be the forerunner of a proper classification in the casualty and surety field.

Mortality of Insurance Commissioners

OWING to the many questions of great moment arising in insurance, in fact affecting all departments of the business, it is unfortunate that so many of the tried and experienced insurance commissioners will retire from office soon after the first of the year because of the change in the governor's office in their respective states. Most of the commissioners are appointed. The office of commissioner is looked upon as one of the political plums although for the most part fortunately for the public and the business as a whole, those who have been named have risen to the obli-

gations and opportunities of the post and have become constructive forces.

The commissioners now in office have got their bearings, have learned valuable lessons and are looked upon as safe guides. New men coming into office will require some time to get sufficient experience to enable them to reach correct conclusions. There are issues of real importance before insurance today. It is most unfortunate that they will not have the benefit of the experience and calm judgment of men in many states who have proved their worth in the supervising office.

PERSONAL SIDE OF BUSINESS

Mr. and Mrs. Phil C. Braniff of Tulsa visited Chicago recently and took back to Oklahoma with them a baby girl for adoption.

Miss Betty Dodson, daughter of Walter Dodson, Hot Springs, Ark., general agent, was the queen of the ceremonies this week at the dedication of the Carpenter dam on the Ouachita river, the first unit of a \$6,175,000 hydro-electric station by the Arkansas Power & Light Company. On the same day, Miss Dodson and Governor Parnell turned the switches to place in use the new system of white lights for Hot Springs' streets.

Percival Beresford, United States manager of the Phoenix of London and president of its subsidiaries in this country, is again at his desk in New York following a month spent visiting the chief offices of the Phoenix in England, accompanied by Mrs. Beresford.

E. A. Lord, founder of the Boston insurance agency of Elmer A. Lord & Co. and its chief executive until 1912, when he retired from active business, died in Boston at the age of 70.

Paul Haid of New York, president of the America Fore group, is leaving New York this week for Tucson, Ariz., where he will spend a few days around Christmas with his son who is in college there. He will stop in Chicago en route.

The first 25-year service medal ever presented by the Northern of New York to an agent in Illinois outside of Cook county was recently awarded to A. J. Praefcke of Streator at a dinner in that city by State Agent H. R. Prince of the Northern. Among those at the dinner was G. N. Taylor, a member of the grievance committee of the Illinois Association of Insurance Agents. Mr. Praefcke responded to the presentation by recalling the time when R. L. Parsons, now secretary of the company, appointed him as agent. He expressed the hope that some day he would receive the 50-year medal.

H. W. Seide, Hartford, Conn., agent, is completing half a century in the business. He was employed in various capacities by several local agencies until about 34 years ago, when he went into business for himself. Mr. Seide harks back to the days when Hartford rates were made by secretary of the local board, who was also serving as postmaster of Hartford at that time.

I. M. Fisher, president Lion Assurance of Los Angeles and the I. M. Fisher Agency, sailed from San Francisco last week on the steamer President Pierce for Honolulu, where he will spend the Christmas holidays, then continuing his trip to the Orient, visiting Kobe, Yokohama, Shanghai, Hongkong, Manila and Singapore before returning. He is accompanied by his wife and two children and is expected to return March 5.

Ben T. Campbell, 42, junior member of Green & Campbell, Los Angeles, was stricken with a heart attack and died Dec. 11 at his home.

H. L. Rose of Baltimore, most loyal grand gander of the Blue Goose, who lost a foot recently following a hunting accident, is reported as progressing favorably. Among those who were in Baltimore recently to see Mr. Rose was Paul Rudd of Milwaukee, grand wielder of the goose quill.

Wichita members of the Kansas Blue Goose, including the members of the Central Kansas Field Men's Club, are looking after the interests of D. L. McCay, past most loyal gander of the Blue Goose, who is in Wichita recuper-

ating from a nervous breakdown at the home of his sister, Mrs. Mary C. Wuester, widow of August Wuester, for many years Kansas state agent for the Columbia Fire Underwriters. Mr. McCoy is state agent in South Dakota for the North American fleet, but was forced to take a leave of absence over two months ago. He is reported feeling much better, but is as yet not permitted to be up but a short time each day.

J. E. Marietta, Vinton, Ia., local agent, who has been in the business since October, 1875, is believed to hold the record for continuous activity, with 55 years of service, and possibly in age. He was born in 1852.

Commissioner C. D. Livingston of Michigan, who served as chairman of the special committee of the National Convention of Insurance Commissioners investigating fire and casualty commission costs, is now appointed chairman of its new special committee that will investigate the interlocking devices of life companies, looking into inter-relationships that may be dangerous to companies as brought out in the Rogers Caldwell & Co. failure which controlled a number of companies or was a large stockholder.

C. H. Morrill of W. H. Markham & Co. was named chairman of the board of directors of the St. Louis Chamber of commerce last week. C. S. Lawton, vice-president and general manager Lawton-Byrne-Bruner insurance agency, was elected a director.

P. A. Gibson, son of G. A. Gibson, of Gibson, Moore & Sutton agency, Richmond, Va., has been awarded the 1931 Rhodes scholarship for Virginia. He is now a law student at Harvard and expects to graduate there next June.

The Detroit Fire & Marine paid signal honor to C. B. Wardle, head of the Wardle agency at Ionia, Mich., at a dinner in Detroit in honor of his having represented the company for over 50 years. Mr. Wardle, the other members of the agency and members of his family, were invited guests. Secretary W. T. Benallack represented the Michigan F. & M. President George K. March and Assistant Secretary R. R. Bucknell represented the Detroit National Fire. Vice-President and Secretary C. A. Reekie of the Detroit F. & M. presided as toastmaster. Many tributes were paid to Mr. Wardle, who is acknowledged to be one of the best local agents in the state. He was presented with a beautiful silver pitcher. Insurance Commissioner Livingston was present and spoke. Aside from Mr. Reekie the Detroit Fire & Marine was represented by Vice-President A. H. McDonnell and Raymond Waldron, and W. O. McClelland, who has recently gone with the company in an executive capacity.

J. A. McClelland, vice-president of the National Union Fire of Pittsburgh, who has been in charge of its loss department and the underwriting and production of business in Western Underwriters Association territory, has tendered his resignation. Mr. McClelland, prior to going with the National Union, was manager of the Underwriters Adjusting Company at St. Louis. He was formerly associated with the Fidelity-Phenix as a field man and adjuster.

J. W. Caird, who has been in the service of the National Union for 18 years, has been advanced to general adjuster to succeed Mr. McClelland. Mr. Caird formerly reported to Mr. McClelland. He has worked his way through the loss department and is held in high esteem by the company.



THE GLENS FALLS GROUP

GLENS FALLS INSURANCE CO.

COMMERCE INSURANCE CO. COMMERCE CASUALTY CO.
GLENS FALLS, NEW YORK

GLENS FALLS INDEMNITY CO.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

To Reopen Separation Case

State Auditor Lawson of West Virginia Declares He Will Institute New Proceedings

State Auditor Lawson of West Virginia, who attended the meeting of the National Convention of Insurance Commissioners in New York last week, stated that he would soon institute proceedings to enjoin the companies belonging to the West Virginia Uniformity Association from enforcing separation in agency contracts. As will be remembered, the state auditor began suit in the state courts and the companies had the suit transferred to the United States district court. The federal court decided that the state court was the proper tribunal to decide this question before any appeal could be taken. No action has been taken since the federal decision by the state auditor's office. Mr. Lawson, however, declares that he is in sympathy with the attack on the separation program, declaring that a large majority of agents agree with him.

Insurance Fills Pages of Cincinnati C. of C. Magazine

The December issue of "The Cincinnati," monthly publication of the Cincinnati Chamber of Commerce, was devoted to insurance and contained articles of interest to both life and fire and casualty men. B. G. Dawes, Jr., president of the Eureka-Security F. & M. gave a very good argument for the insurance agent in his article "Insurance Agent Valuable Asset to the Community."

M. A. Boyle of the State Mutual Life, in his article told of the new services which are being rendered by agents and life insurance companies in the present day. He particularly stressed the importance of having a well written will and of careful planning in taking out life insurance.

"Life Insurance as Property" was the heading of an article written by A. R. Jaqua, of THE NATIONAL UNDERWRITER, and was a brief synopsis of some of the material which has been appearing in these bulletins during the past year.

Heasley Tells Agents How to Advise Clients on Loss

"The Loss" is the title of a little volume of hints to agents on how to advise assureds in the event of loss, which has been prepared by E. E. Heasley, Jr., manager Underwriters Adjusting in Cleveland, and distributed among

state and local agents. Mr. Heasley's advice is for the agent to summarize for the assured the conditions of the policy. The author condenses his advice as follows:

1. Forthwith notify the insurance company.
2. Protect the property from further damage.
3. Separate the damaged and undamaged property.
4. Make a complete inventory of property.
5. State quantity and cost of each article.
6. Amount claimed on each article.
7. Then within sixty days after fire render a sworn statement with insurance company stating:
 - (a) Knowledge and belief of insured as to time and origin of fire.
 - (b) The interest of insured and all others in the property.
 - (c) The cash value of each item thereof and the amount of loss thereon.
 - (d) All incumbrances thereon.
 - (e) All other insurance, whether valid or not, covering any of said property.
 - (f) Copy of all descriptions and schedules in all policies.
 - (g) Any changes in title, use, occupation, location, possession or exposures of said property since the issuing of the policy.
 - (h) By whom and for what purpose the property was occupied.

Call Final Ohio Code Session

Members of the insurance code revision committee of the Ohio State Bar Association have been called by Chairman W. E. Benoy to meet in Columbus Dec. 29. This may be the last meeting of the committee and every member is urged to attend. The bar association of Brown county has indorsed and approved the proposed revised code and recommended its passage by the legislature. At the coming meeting of the committee all the suggestions and recommendations submitted will be acted upon by the committee.

To Nominate Governors

The Cincinnati Fire Underwriters Association committee to nominate candidates for the governors is headed by Ed Klick, chairman. Other members are Charles Dauner, Allen Tow, George Wilson and Thomas Wood. These men are to bring in candidates to be voted on to succeed W. A. Earls and Robert Wirthwine for two year terms on the board.

Ohio Notes

E. B. Hamlin, Inc., Cleveland, has been incorporated to engage in general insurance business. Incorporators are F. G. Gornik, R. G. Morrison and G. B. Folk.

The **T. E. Wood Agency**, Cincinnati, has moved from the Atlas Bank building to the Fountain Square building. The agency has taken the entire fifth floor of this new structure.

CENTRAL WESTERN STATES

W. B. Cary Again Low Bidder

Michigan Insurance Agency Gets Detroit Public Lighting Commission's Policies on Reopened Bidding

DETROIT, Dec. 17.—Sixty-nine insurance agencies bid on the Detroit public lighting commission's insurance, which was recently reopened for bidding, after charges of favoritism had been made. The bids were opened last Thursday afternoon in the presence of

insurance representatives and it was found that W. B. Cary, president of the Michigan Insurance Agency, was again the low bidder. The agency's net tenders totaled \$55,797, against the new low of \$60,343, bid by Raymond & Raymond. Insurance now carried with the Michigan Insurance Agency helped make the difference possible, Mr. Cary said.

Previous bids were in the neighborhood of \$80,000 except that of the Michigan Insurance Agency, which was \$64,850. Various types of insurance, notably riot and civil commotion coverage, were eliminated from the secondary

specifications, on advice of J. E. Mills, commissioner of purchases and supplies, who recently completed a survey of Detroit city insurance.

For machinery and boiler insurance, covering about \$1,300,000 worth of property, most companies offered a three-year premium of \$45,322 and for fire and inherent explosion insurance, involving \$5,800,000 in property a three-year premium of \$15,077. However, Mr. Cary's net tender on fire and explosion was \$10,474.54. This took into consideration, Mr. Cary explained, that the company would, in the event it got the business, credit the commission with \$4,574, on cancelled policies. In the event some other concern got the business the policies now carried would be cancelled at a short-term rate, making the credits less by \$687, he said.

Indiana Loss \$9,665,799

The annual report of Fire Marshal Hogston set fire damage for the year ending Oct. 1 in Indiana at \$9,665,799 or \$2.98 per capita. The total number of fires increased 841 over the previous year, it was stated.

Will Make Joliet Inspection

Illinois is first among the various state fire prevention associations in central western territory to announce a town inspection and educational campaign in the new year. At the invitation of the local chamber of commerce and with the cooperation of the Kiwanis, Lions, Rotary, Cosmopolitan and Exchange clubs, the Realty Board and the fire underwriters association, the Illinois fire preventionists will make an inspection of Joliet, Jan. 15. A public meeting will be held at a luncheon which will be attended by members of the different local civic organizations. Talks will be made at this time by State Fire Marshal S. L. Legreid and Harry K. Rogers, of the Western Actuarial Bureau.

Foster on Indiana Program

INDIANAPOLIS, Dec. 17.—W. S. Foster, assistant manager of the western department North America, will be one of the headliners on the program of Indiana Insurance Day in Indianapolis, Jan. 19-20. Mr. Foster's topic will be, "Prospective Earnings (Use and Occupancy)."

Effective Work in Indiana

Much effective fire prevention work is being accomplished by C. S. Steup of the Indiana Inspection Bureau, espe-

cially through the schools. During November, Mr. Steup made 26 talks to a total of 4,006 pupils and teachers in 18 schools of Fairmount, Attica, Seymour and Mitchell. All of the talks were made on the following timely subjects: "Primer Fire Prevention Lesson," "Keep the Home Fires from Burning," "Fire Prevention a Patriotic Duty."

Waukegan, Belleville Report

Belleville and Waukegan, Ill., were among the cities visited by engineers for the National Fire Protection Association during the past month. Following a serious fire in the business district of Waukegan in November, engineers conferred with the fire prevention committee. A tax levy for fire department improvements will be campaigned for by the committee.

A building code has been adopted in Belleville and a building inspector appointed. Fire department man-power and apparatus has been increased.

Consider Rural Protection

DOWAGIAC, MICH., Dec. 17.—Consideration was given to the problem of fire protection for rural territory and small towns in the southwestern section of the state at the district meeting of the Michigan League of Municipalities here last week. Methods of keeping the fire peril in check in similar communities in other parts of the state were discussed and it is probable that a model method will be worked out which all villages and nearby countryside will be urged to adopt.

Illinois Notes

Fred J. Summer, Illinois state agent of the Employers Fire, has moved his office headquarters to A-947 Insurance Exchange, Chicago, the new office location of the American Employers.

Orson Clark of the Sturdevant & Clark agency of Prophetstown, Ill., has resigned. Hereafter the agency will be operated under the title of the Sturdevant agency.

Michigan Notes

The **Jackson Agency**, Pontiac, Mich., has been incorporated by T. W. Jackson, R. S. Jackson and M. M. Jackson.

A new trial has been denied **Maurice Hurwitz** and **C. E. Nicely**, South Bend, Ind., recently convicted of arson at St. Joseph, Mich., in connection with the fire in January, 1928, which destroyed the old Mullen paper mill, part of the property of the now defunct St. Joseph Board & Paper Box Company.

STATES OF THE NORTHWEST

Trinity's Business Reinsured

That in Minnesota Goes to Central Fire and in North Dakota to National Security

The Trinity Fire of Dallas, represented in the general agency of Walsh-Herberg-Larson Company in Minneapolis, has reinsured its Minnesota business in the Central Fire of Baltimore, a North America company, and its outstanding North Dakota business in the National Security Fire of Omaha, also a member of the North America group. Both the Central Fire and the National Security are represented by Walsh-Herberg-Larson. The Trinity has decided to discontinue its general agency connection in North Dakota and Minnesota. In addition to the Central and the National Security, Walsh-Herberg-Larson represent as general agents the Transcontinental, La Salle and Western of Fort Scott.

Wisconsin Mutuals Organize

Fire, Casualty and Automobile Companies to Be Represented in New Organization

MILWAUKEE, Dec. 17.—The organization of the Wisconsin Mutual Alliance is going forward here this week, with representatives of mutual casualty, fire and automobile companies in the state attending.

Purposes Are Outlined

Purposes of the organization are to institute an advertising campaign on behalf of all mutual insurance in Wisconsin, and to handle legislative problems as they arise during the 1931 session, speaking for all mutual companies of the state.

A constitution is being drawn up and sectional meetings of fire, compensation and automobile mutuals being held in

LOYALTY GROUP

JANUARY 1, 1930 STATEMENTS

NEAL BASSETT, President
A. H. HASINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President and Treasurer
ARCHIBALD KEMP, 2d Vice-President

FIREMEN'S INSURANCE COMPANY

ASSETS	LIABILITIES	OF NEWARK, NEW JERSEY	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$60,811,870	\$14,495,225		\$18,777,000	\$27,539,645	\$46,316,645

HENRY M. GRATZ, President
A. H. HASINGER, Vice-President

NEAL BASSETT, Chairman of Board
WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President
ARCHIBALD KEMP, 2d Vice-President

THE GIRARD F. & M. INSURANCE CO.

\$ 6,252,740	\$ 3,401,657	\$ 1,000,000	\$ 1,851,083	\$ 2,851,083
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NEAL BASSETT, President
A. H. HASINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President
ARCHIBALD KEMP, 2d Vice-President

MECHANICS INSURANCE CO.

\$ 5,078,813	\$ 3,335,593	\$ 600,000	\$ 1,143,219	\$ 1,743,219
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NEAL BASSETT, President
A. H. HASINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President
ARCHIBALD KEMP, 2d Vice-President

NATIONAL-BEN FRANKLIN FIRE INS. CO.

\$ 5,233,116	\$ 3,070,630	\$ 1,000,000	\$ 1,162,486	\$ 2,162,486
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NEAL BASSETT, President
A. H. HASINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President
ARCHIBALD KEMP, 2d Vice-President

SUPERIOR FIRE INSURANCE CO.

\$ 5,073,876	\$ 3,061,200	\$ 1,000,000	\$ 1,012,676	\$ 2,012,676
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W. E. WOLLAEGER, President
A. H. HASINGER, Vice-President

NEAL BASSETT, Chairman of Board
WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President
ARCHIBALD KEMP, 2d Vice-President

CONCORDIA FIRE INSURANCE CO.

\$ 5,564,987	\$ 3,078,063	\$ 1,000,000	\$ 1,486,923	\$ 2,486,923
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CHARLES L. JACKMAN, President
JOHN KAY, Vice-President

A. H. HASINGER, Vice-President

WELLS T. BASSETT, Vice-President
NEAL BASSETT, Vice-President
ARCHIBALD KEMP, 2d Vice-President

CAPITAL FIRE INSURANCE CO.

\$ 652,382	\$ 13,200	\$ 300,000	\$ 339,182	\$ 639,182
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CHAS. H. YUNKER, President
A. H. HASINGER, Vice-President

NEAL BASSETT, Chairman of Board
WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President
ARCHIBALD KEMP, 2d Vice-President

MILWAUKEE MECHANICS' INSURANCE CO.

\$13,045,126	\$ 7,886,590	\$ 2,000,000	\$ 3,158,536	\$ 5,158,536
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J. SCOFIELD ROWE, President
J. C. HEYER, Vice-President
JOHN KAY, Vice-President

EARL R. HUNT, Vice-President
A. H. HASINGER, Vice-President
WELLS T. BASSETT, Vice-President
NEAL BASSETT, Chairman of Board

S. WM. BURTON, Vice-President
S. K. MCCLURE, Vice-President

METROPOLITAN CASUALTY INSURANCE CO.

\$14,945,383	\$10,320,195	\$ 1,500,000	\$ 3,125,187	\$ 4,625,187
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C. W. FEIGENSPAN, President
E. C. FEIGENSPAN, Vice-President
A. H. HASINGER, Vice-President

NEAL BASSETT, Chairman of Board

W. VAN WINKLE, Vice-President
JOHN KAY, Vice-President
WELLS T. BASSETT Vice-President

COMMERCIAL CASUALTY INSURANCE CO.

\$14,741,017	\$ 9,712,813	\$ 2,500,000	\$ 2,528,203	\$ 5,028,203
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TOTAL OF ASSETS

\$131,779,040*

TOTAL OF LIABILITIES

\$58,562,251

TOTAL NET PREMIUMS

\$49,400,938

WESTERN DEPARTMENT

844 Rush Street, Chicago, Ill.

H. A. CLARK, Manager

Ass't Managers

H. R. M. SMITH

JAMES SMITH FRED W. SULLIVAN

EASTERN DEPARTMENT

10 Park Place

Newark, New Jersey

CANADIAN DEPARTMENT

461-467 Bay St., Toronto, Canada

MASSIE & RENWICK, Ltd., Managers

PACIFIC DEPARTMENT

San Francisco, California

60 Sansome Street

W. W. & E. G. POTTER, Managers

Ass't Managers

JOHN R. COONEY CHAS. H. GATCHEL

*Capital and Surplus of affiliated companies owned by Firemen's, appear in gross assets of both

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

addition to the joint meetings, prior to the formal organization of the Alliance.

Power Company May Be Liable

BELOIT, WIS., Dec. 17.—Gas from a leaking valve in a main of the Wisconsin Power & Light Company is believed to have caused the explosion and fire resulting in a loss estimated in excess of \$500,000. Insurance adjusters have been at work ever since the fire determining the extent of losses and amount of damage recoverable.

Question has also been made as to the liability of the Wisconsin Power & Light Company. It is practically certain that claims for explosion damage will be filed against the company. The explosion and fire destroyed four retail stores. Business men in adjacent buildings also suffered damage to stock and fixtures from smoke, and there were a number of window glass losses.

Rules on Dissolution Plan

A projected insurance company which has filed articles of incorporation but not perfected the same can only be dissolved, according to an opinion given Commissioner Freedy of Wisconsin by the attorney general, by filing of a written revocation with the register of deeds of the county in which the company is located. This does not relieve the stockholders of any obligations that may have been incurred.

Blue Goose Tournament

Sixty-four members of the Wisconsin home nest of the Blue Goose attended a luncheon and bridge tournament in Milwaukee, Dec. 13.

E. T. Eaton of the Hartford Livestock won first prize. The pond is making plans for a dinner-dance in January.

Good Fellowship Dinner Jan. 6

MILWAUKEE, Dec. 17.—A good fellowship dinner will be held by the Wisconsin Fire Underwriters Association Jan. 6. The quarterly meeting of the association will be held during the afternoon.

Wisconsin Notes

Elson Well, a member of the B. M. Well agency, has been elected to membership in the Milwaukee Board.

The **La Crosse Insurance Agency**, La Crosse, Wis., has been incorporated by G. Van Auken, W. Hurtgen and R. Hurtgen, incorporators.

Oconomowoc, Wis., is the most recent entry in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Insurance department of the Chamber of Commerce of the United States.

Minnesota Notes

An address on "Sales Psychology" was made by **E. O. Juel**, Minneapolis attorney, before the Insurance Club of Minneapolis at the luncheon meeting Dec. 16.

F. J. Gould, former Minnesota game and fish commissioner, talked to the Blue Goose at the weekly luncheon meeting in Minneapolis Monday.

IN THE MISSOURI VALLEY

Deputies to Run Department

Governor-Elect Bryan Indefinite Regarding Future of Nebraska Insurance Supervision—Knudson Rumored

LINCOLN, NEB., Dec. 17.—Insurance representatives have been unable to secure any assurance from Governor-Elect Bryan that he will maintain the insurance department at its present high level of efficiency. Mr. Bryan tells reporters that he will again urge the legislature to repeal the civil administrative code, under which the insurance bureau is made a part of the department of trade and commerce, but Republican preponderance in the senate makes it unlikely that he will be able to do this. He says that meanwhile he will appoint no secretaries for the various code departments, but will name deputies at greatly reduced salaries to perform their work. This would indicate that the insurance department will not be allowed enough in the way of salary for the chief to secure the high type of executive that the insurance men desire.

Meanwhile the opinion is growing that K. C. Knudson, president Central States Hail, Omaha, who was head of the banking department under the former Bryan administration and also acted as insurance commissioner, will again be named for that place. Political gossip has it that Mrs. M. A. Fairchild, chief deputy for a number of years and who has handled the insurance department during the Bryan regime from 1923 to 1925, will again be in active charge subject to Mr. Knudson's supervision.

Fire Prevention Progress Is Reported in Five Cities

Engineers for the National Fire Protection Association report that the recently organized fire prevention committee of Lincoln, Neb., is performing excellent work. A badly needed tax levy for fire department improvements was voted following a campaign by the committee. The committee is working for improvements in the fire alarm system and for a fire prevention code.

In Omaha the fire prevention committee is arranging monthly meetings of various business interests in the city. A junior fire marshal's division with ten boys from each school has been organized. Two additional inspectors have been added to the Fire Prevention Bureau.

A fire prevention committee is to be created in the chamber of commerce of Kansas City, Kan. The fire department

is in its new quarters with a good layout. There is no fire alarm system but the mayor favors installation of one and the fire prevention committee will assist in procuring it.

Leavenworth, Kan., was also visited. The engineers secured the organization of a fire prevention committee by the Leavenworth Chamber of Commerce.

The fire prevention committee of Council Bluffs, Ia., has secured the passage of an ordinance prohibiting wooden shingle roofs in the congested sections of the city, according to the report of engineers for the National Fire Protection Association. The committee is now working to secure a fire inspector in the fire department.

Carl Miller Is Joining the Western Adjustment Co.

Carl Miller, veteran independent adjuster of Waterloo, Iowa, together with his staff—F. H. McCartney, adjuster, Miss Marie Miller, secretary, has completed arrangements to join the Western Adjustment as manager of the Waterloo branch, Jan. 1. No adjuster in Iowa is more widely known than Mr. Miller who after serving as a fieldman in the state opened an independent adjusting office at Waterloo, from which point he has actively and satisfactorily served the companies in his particular field for many years.

Offices will shortly be opened in a suitable location in the business district of Waterloo.

New Missouri Council to Watch Legislation Closely

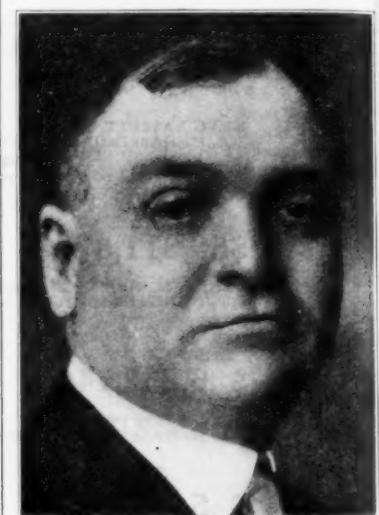
ST. LOUIS, Dec. 17.—The recently organized Missouri Insurance Council, which has adopted the slogan "Keep the State Out of Business" as its working motto, plans to keep a very close tab on all legislation affecting insurance in any of its branches when the next Missouri general assembly convenes at Jefferson City Jan. 5.

C. S. Lawton, Lawton-Byrne-Bruner Agency, St. Louis, who directed the successful fight against state-fund workmen's compensation insurance at the general Missouri election in November, has been elected president of the new council.

Other officers are C. J. Kehoe, F. D. Hirschberg & Company, St. Louis, treasurer; J. J. McGee, Thomas McGee & Sons, Kansas City, secretary. A permanent executive secretary and five state vice-presidents are to be named later.

The executive committee includes: T.

Dies in Fall



J. R. ANDERSON

J. R. Anderson, member of the firm of J. S. Anderson & Sons, Cedar Rapids, Ia., died recently when he fell from a window in his office on the eighth floor of the American Trust building. He was widely known in Iowa insurance circles, having at one time been secretary of the Iowa Association of Insurance Agents, and at the time of his death serving as secretary of the Cedar Rapids association.

S. Ridge, Jr., Kansas City; W. O. Woodsmall; P. K. Weis, Moberly, Mo.; R. Bryson Jones, Kansas City; M. L. Clevlen, Poplar Bluff, Mo.; Harry Minty, Kansas City; John J. Nangle, St. Louis; W. D. Hemenway, St. Louis; C. S. Ashley, St. Louis, and C. H. Morrell, St. Louis.

Waterloo Board Elects

WATERLOO, Ia., Dec. 17.—Officers of the Waterloo Insurance Association, of which H. O. Arthur is president, were reelected last week at the annual meeting. Other officers for the year are: B. V. Hughes, vice-president; C. F. London, secretary-treasurer; Mr. Hughes, J. R. Vaughn and H. C. Miller, executive committee.

Favor New Electrical Law

WICHITA, KAN., Dec. 17.—Vice-president Carl Bailey presided at the luncheon meeting of the Central Kansas Field Men's Club. A proposed state law regulating electrical installations and equipment was discussed, the club voting to get behind the proposition in



an effort to get it passed at the coming session of the Kansas legislature. Kansas now has no statute covering electrical installations.

James Harris, chairman of the program committee, announced that programs for the next six months would include discussions of marine insurance and the Kansas rule book, interspersed with addresses by prominent speakers.

Insurance Men Active in C. of C.

Wichita insurance men always have taken an active part in the work of the Wichita chamber of commerce. Those appointed to head committees for the next year are H. K. Lindsley, president of the Farmers & Bankers Life, chairman of the membership committee; F. T. Priest of Dulaney, Johnston, Yankee & Priest, greeters committee, and H. W. Stanley, general agent Equitable Life of Iowa, entertainment. Sidney Foulston, attorney, whose office represents several companies, was again appointed chairman of the fire prevention committee.

Contribute to Salvation Army

The Kansas Blue Goose presented the Salvation Army with a Christmas contribution again this year. N. K. Nelson, Great American, collected the \$211 contributed at the luncheon Monday.

H. J. Helmkamp, Niagara, chairman of the group life insurance committee, presented the plan of the new policy being issued for the Blue Goose.

Pastor Is Blue Goose Speaker

DES MOINES, Dec. 17.—Dr. C. S. Medbury, local pastor and Chautauqua lecturer, was the speaker at Monday's luncheon meeting of the Iowa Blue Goose, on "The Representative Citizen." The largest attendance of the year heard his address. Dr. Medbury, last year termed Des Moines' most valuable citizen, was at one time connected with the western department of the Royal in Chicago.

Frowns on Merchants' Policies

TOPEKA, KAN., Dec. 17.—Commissioner Hobbs of Kansas has announced he will issue an order directing Kansas merchants to stop giving insurance policies with the purchases of certain goods. Some of the jewelry and motor car merchants have been advertising that they give an insurance policy to guarantee the replacement of any gems, jewelry or motor car that may be lost or stolen. It is pointed out that the merchants are doing an insurance business for which they do not hold a license, as each

transaction requires a separate policy issued under a blanket policy by some company.

Nebraska Hail Fund Report

LINCOLN, NEB., Dec. 17.—According to the final report filed by Commissioner Dort on the 1930 operations of the state hail insurance fund, all claims, totaling \$8,868, have been paid in full, and \$8,538 carried to the surplus fund, which now totals close to \$19,000. Premium income for the year was \$20,098, compared to \$20,172 in 1929. Number of policies issued was 390, a decrease of ten. Losses in 1929 were \$13,789.

Salina Agencies Merge

The H. H. Eberhardt Insurance Agency and the Fitzpatrick Agency of Salina, Kan., will consolidate Jan. 1 under the name of Eberhardt-Fitzpatrick Agency. Mr. Eberhardt, who is district agent of the Massachusetts Mutual Life, will continue to handle his life insurance business separately. G. T. Fisher will be manager of the insurance and bond business of the new agency.

Joint Christmas Party

St. Louis Blue Goose will hold a joint Christmas party with the Cats Meow Dec. 22. D. H. Painter is chairman of arrangements.

Insurance Course at Omaha

OMAHA, Dec. 17.—An 18-week course in insurance is again being offered this winter by the University of Omaha. The fire and casualty division met for organization Dec. 5.

Missouri Notes

The A. F. Smith Company, Council Bluffs, Ia., has been placed in receivership. Wm. Arnd has been appointed receiver.

W. O. Meyer has purchased the Fox & Morgan insurance agency at Pittsburg, Kan. It was formerly known as the Jones agency, and was one of the oldest in the city. Fox & Morgan purchased it about a year ago.

Mrs. Byron E. House, until the past few months connected with the Wichita office of the Kansas Inspection Bureau, where she was employed for several years, will spend the next few years at least taking dictation from Raymond Munroe, born Nov. 18.

Henry Lucke and J. L. Kempley, widely known Fort Dodge, Ia., real estate men, pleaded guilty to attempted arson in district court at Rockwell City. Each was sentenced to two years in the penitentiary, but sentence was suspended. They were accused of burning a vacant house at Lake City to get \$1,500 insurance.

STATES OF THE SOUTHWEST

Bureau's Work Bearing Fruit

Appreciation Expressed of Manager Ingall's Activities in Inspection of Oklahoma Schools

OKLAHOMA CITY, Dec. 17.—The unselfish efforts of the stock fire companies in Oklahoma through the Oklahoma Inspection Bureau are beginning to bear fruit. Early in January the bureau under the direction of C. T. Ingalls, manager, made a complete survey and report on conditions relating to life and fire hazards of the Oklahoma City public schools. The report comprised nearly 100 pages and diagrams of each of the city schools, with details of construction, occupancy, egress, hazards and protection of each individual building were pointed out and criticized, with recommendations made for correction of each feature criticized.

As a result comes a letter written by J. R. Barton, superintendent of Oklahoma City schools, which was also reprinted in "The Nation's Schools," commenting on the unlimited value of the

report and the importance of rectifying the criticized points. These have all received consideration of the school officials, with the result that all school buildings have been fully equipped with standard equipment for fire extinguishing and fire drill systems recommended by Mr. Ingalls have been adopted.

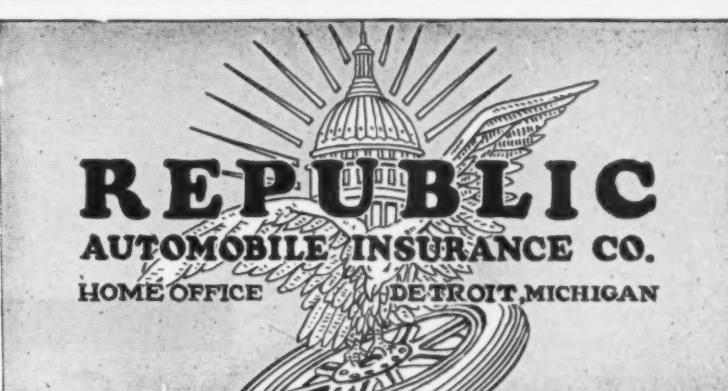
The letter also gives assurance that all recommendations of the inspection bureau will be carried out as soon as they can possibly be handled.

Similar investigations of the Tulsa and Ponca City schools were made by the bureau at the request of the respective boards of education, with the result that Ponca City has assured Mr. Ingalls that the suggested corrections are being made as rapidly as possible.

New Committees of Oklahoma Insurors Chosen by Ball

OKLAHOMA CITY, Dec. 17.—F. Wiley Ball, president of the Oklahoma Association of Insurers, has appointed his standing committees.

The legislative committee will include



This is the month many companies get excited about Automobile insurance. We're excited about it the year 'round. That's one of the advantages of representing a specialized automobile writing company like the Republic Automobile.

The Republic Special

An "Exclusive" Automobile Writing Company

Home Office—Detroit
2163 East Jefferson Avenue

Chicago Office
A 1638-1640 Insurance Exchange Building



Do You Know
How to Get
"Earned Premiums"
Accurately
AT SIGHT

UNIVERSAL
Direct reading Rate Finder and
CANCELLATOR
GETS THEM

Price \$2.00
Good in all States
except Wisconsin

The National Underwriter
CHICAGO

Six Reasons Why You'll Like

No Tip Barber Shops

First Class American Barbers
You Despise Tipping—We Prohibit It

EXPERT WORK

- 1—The best barbers in the city, barring none. All past masters in their profession.
- 2—Courtesy and quick service is our aim.
- 3—Shop clean, sanitary and strictly up-to-date "always."
- 4—You save money, we make money.
- 5—No Tipping, No Annoyance.
- 6—Hair Cut 50c—Shave 25c—Shampoo 30c—Massage 50c.

Chairs Reserved on Phone Calls
Ins. Center Bldg. 230 S. Wells St.
Telephone Webster 2785 Room 822

Austin Bldg. 111 W. Jackson Blvd.
Telephone Webster 7173 Room 802

Guardian Bldg. 105 S. Dearborn
Telephone Dearborn 5383 Room 218
Chicago, Illinois

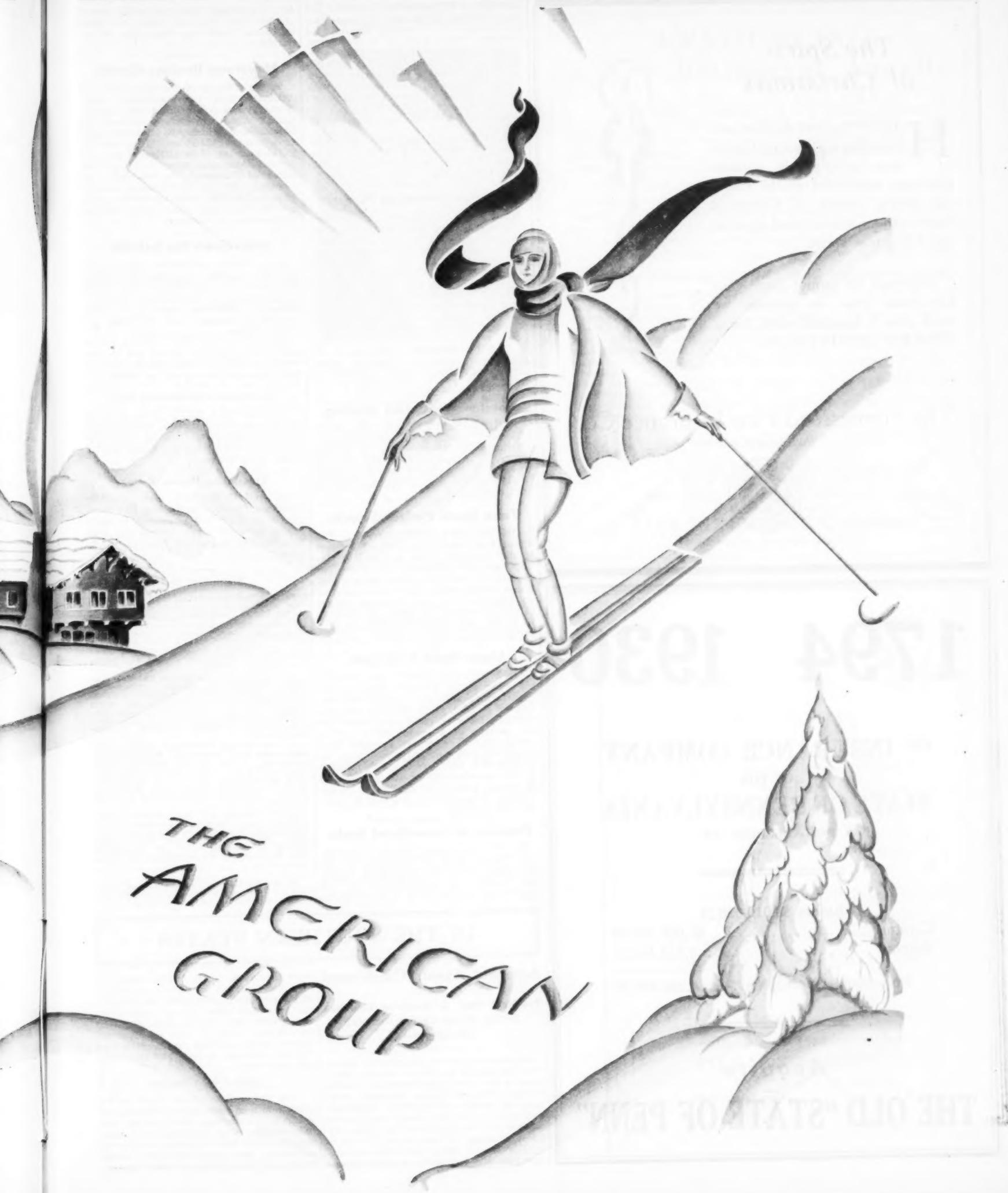
SEASON'S GREETINGS

THE AMERICAN
INSURANCE COMPANY

BANKERS INDEMNITY
INSURANCE COMPANY

THE COLUMBIA FIRE
INSURANCE COMPANY

DIXIE FIRE
INSURANCE COMPANY



THE
AMERICAN
GROUP

The Spirit of Christmas

HAPPY faces of children surrounding a glittering Christmas tree, gaudy trinkets and toys assembled in the shops, the cheery beams of Christmas lights—these are outward signs of the Christmas spirit.

Although we cannot share your Christmas joys in person, we send you a heartfelt wish for a MERRY CHRISTMAS.



The Homestead Fire Insurance Co.

Wilfred Kurth, Pres.

59 MAIDEN LANE



NEW YORK

1794 1930

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PHILADELPHIA, PA.

Assets \$8,010,038.31

Capital	\$1,000,000.00
Surplus	3,253,468.39

Policyholders' Surplus	\$4,253,468.39
-----------------------------	----------------

Acquire

THE OLD "STATE OF PENN"

members of the executive committee and H. G. House, Muskogee; Homer Martin, Tulsa; C. L. Frenzley, Duncan; Ed Souligny, Ponca City; G. C. Pendleton, Durant; Cecil Loftin, Pauls Valley; W. H. Ebey, Ada; Charles Brice, McAlester; Kent Johnson, Alva; Harry Frantz, Enid; Fred Frey, Chickasha; Frank Thayer, Hobart; Joe Peller, Lawton; Charles Goodwin, Anadarko; H. T. Houghton, Bartlesville, and Ben Hunter, Ardmore.

E. H. Gilbert, Tulsa, heads the grievance committee, and J. S. Wells, Oklahoma City, the membership and publicity committee.

Map Fire Prevention Program

HOUSTON, TEX., Dec. 17.—A year's program of fire prevention is to be mapped out by a committee appointed for that purpose by the Houston chamber of commerce. The committee is headed by G. R. Christie as chairman. Mr. Christie has long been identified with the insurance business in this city. Four sub-committees have been named by Mr. Christie to deal with specific phases of prevention work. Pat Houston heads a group to study fire protection; R. D. Ernst, laws and ordinances; A. C. Finn, improvements of existing structures, and Lewis James, educational work.

Houston Wants 1931 Meeting

HOUSTON, TEX., Dec. 17.—A. D. Langham, president of the Insurance Exchange of Houston, is in Dallas, heading a delegation from this city authorized to invite the Texas Association of Insurance Agents to Houston for the 1931 convention.

Tulsa Board Pledges Support

OKLAHOMA CITY, Dec. 17.—The Tulsa local board has pledged support to the Associated Fire & Casualty Underwriters of Oklahoma City in its fight against the existing multiple agency condition in the latter city. The executive committees of the two organizations arranged a meeting in Tulsa for Tuesday to discuss and work out a definite plan for the Tulsa board to follow.

Urge Model Arson Law

OKLAHOMA CITY, Dec. 17.—In his report to the governor, covering the department's activities for the first ten months of 1930, C. R. O'Neal, state fire marshal, includes recommendations for the passage of a model arson law in Oklahoma. The report revealed that about 600 suspicious fires had been investigated in this period, which resulted in the apprehension of 101 persons, 28 of whom have been convicted, 16 acquitted, 18 cases dismissed and 31 cases are still pending.

President of Consolidated Banks

H. H. Hutchings, Siloam Springs, Ark., local agent, is president of the Hutchings First National Bank, which was formed by consolidation of the State Bank and the First National Bank.

Mr. Hutchings first purchased control of the First National Bank and when the State Bank was suspended, it was purchased.

Holderness Brothers Change

In the collapse of the Home Fire of Arkansas, now in receivership, three brothers were left to form new connections. A. S. Holderness, joined the United States Fidelity & Guaranty claim department at Meridian, Miss., and R. S. Holderness, Little Rock, was appointed Arkansas agent of the Firemen's of Newark. As has been announced, T. S. Holderness, former Home Fire Louisiana general agent, will be Louisiana state agent for the Automobile of Hartford.

Stiles Heads San Antonio

W. L. Stiles was elected president of the San Antonio Insurance Exchange last week; C. W. Meyer was made president, and F. F. Ludolph, secretary-treasurer. Directors are: L. W. Gosling, P. D. Starr, F. C. Gittinger and C. R. Bodkin.

Members of the San Antonio Insurance Exchange have agreed not to represent companies which plant business with non-member agents or firms.

To Submit Qualification Law

OKLAHOMA CITY, Dec. 17.—An agents qualification law endorsed by Commissioner Read will be submitted to the Oklahoma legislature next month when it convenes.

Tulsa Gets Higher Rating

OKLAHOMA CITY, Dec. 17.—The Oklahoma Inspection Bureau has completed rerating Tulsa, raising it from fourth to third class. Altus has also been rerated and raised from eighth to seventh class.

Southwest Notes

D. R. McClurg, local insurance man, has been elected president of the Kiwanis Club, Little Rock, Ark.

The annual Christmas party of the Oklahoma Blue Goose will be in the form of a dinner dance, Dec. 29, under the management of a committee composed of C. T. Ingalls, James E. Sharpe and Charles Cowan.

A committee representing the San Antonio Insurance Exchange, composed of Messrs. Stiles, Gosling, Sawtelle, Schneider, Friedrich and Ludolph, met with the San Antonio Automobile Trades Association to discuss and explain the various types of coverage and new automobile rates.

At the annual Christmas party of the Oklahoma City Insurance Women's Association, in lieu of the regular interchange of gifts, each member brought a package of staple articles to be distributed to the needy of the city. Miss Vera Harper, president, introduced a pleasing Christmas program.

L. I. Baker of the Baker-Lydick Agency was installed commander of Bethlehem Commandery, Knights Templar. For several years Mr. Baker served as secretary of the Associated Fire & Casualty Underwriters of Oklahoma City.

A. W. Norton and Glenn Lucas were elected members of the San Antonio Exchange at the December meeting.

IN THE SOUTHERN STATES

Arrogant Agents Condemned

President Matt G. Smith of Louisiana Society Warns Against Dictating to Companies

Dictatorship over companies by agents was denounced by M. G. Smith, president of the Louisiana Insurance Society in his addresses before regional meetings at Bunkie, Winnsboro, Jonesboro and Rayne, La. Mr. Smith was accompanied on the program by John D. Saint, manager of the society.

"We should never undertake to dictate how the companies should manage

their business," Mr. Smith declared. "On the contrary, we should be in harmony with their principles, realizing all the time that there is no conflict between what they think is right and what we regard as right. Our interests are indeed one in common and what is best for the company is best for the agent and vice versa."

Danger of Arrogance

"The danger," he added, "that our organization might become unbalanced and arrogant is something always to be carefully avoided. Our experience in Louisiana has been that in matters of internal operation, the companies have rather freely met our desires and this has pro-

duced a cooperative situation of great benefit to both.

"To the insuring public," he continued, "we are trustees of major importance. The confidence in the local agent is appalling. The public surrenders its future and fortune to the judgment of the agent who writes its insurance. Who would dare betray such a confidence? I must lay heavily upon your shoulder the integrity of our American agency system and warn you to be most painstaking to see that this confidence is never betrayed. It is your obligation to place their insurance where it will be secure beyond all question of doubt. Not only must you be doubly certain that they are protected in companies of unquestionable financial responsibility but you must also see that the coverage is adequate and the common hazards of business are secured through insurance protection."

Will Continue Fire Group

Jefferson Standard Life Will Not Interfere with the Three McAlister Insurance Companies

The purchase of the Pilot Life of Greensboro, N. C., by the Jefferson Standard Life of that city carries with it also the so-called McAlister fire insurance group, the George Washington, Greensboro Fire and Pilot Fire. The Jefferson Standard people have no notion, at least at present, of discontinuing or abridging the work of the fire companies. A. W. McAlister is president of the companies and his son, Secretary J. W. McAlister, is the active man in charge. The three companies established a special department through which policies were issued under the title of the McAlister Underwriters. Mr. McAlister has been president of the Pilot Life. The Pilot Life controls the three companies. The fire business is well in hand and has been profitable.

Legislative Counsel Appointed

Alabama Executive Committee Meets to Hold State Convention at Gadsden — Baum Executive Chairman

BIRMINGHAM, ALA., Dec. 17.—The legislative program received a major share of attention at the Alabama Association of Insurance Agents executive committee meeting in Birmingham last Saturday. Judge S. F. Hobbs, Selma, was elected counsel to represent the association in legislative matters. A subcommittee will prepare resume of legislation in which the association is interested. The legislature meets in January and the association is interested in many things including an agency qualification law. Franchise privilege taxes on insurance companies and license schedules for agents are other matters in which concern was manifested. The committee will vigorously fight any effort at state fire insurance rate making as has been proposed in some circles. The stand of the state association against finance companies acting as agents was again reiterated.

To Ascertain Governor's Attitude

A committee will call on Governor-Elect Miller to ascertain his attitude on the appointment of an insurance commissioner. So far he has not indicated whether he wishes the insurance commissioner to take office with him in January or if he will wait until Commissioner Thigpen's term expires in October. In the latter case the association would refer recommendations. The governor stated before the election that he would confer with the association before making any appointment to this office.

Gadsden was selected as the site for the next state convention in May. Dothan withdrew in favor of Gadsden, and Mobile after making a strong fight moved to make the selection unanimous.

Carl Wilson resigned as chairman of

Kentucky Councillor



W. A. REISERT

W. A. Reisert of Louisville, chairman of the legislative committee and a member of the executive committee of the Kentucky Association of Insurance Agents, has been named national councillor. Mr. Reisert entered the agency field in Louisville nine years ago by purchasing the Vetter & Smith agency, and later added the accident business of Joe Cohen. Still later he purchased from Browder & Hoskins the business of the former A. H. McAtee agency. His agency has shown rapid growth.

the executive committee on account of his election as president of the Alabama Association of Real Estate Boards. Sylvan Baum, Montgomery, was elected in his place.

Mead National Councillor

President Mead made an earnest appeal for association support. He stated membership had fallen off. President Mead was elected state member of the national council.

The committee went on record as favoring a joint meeting with other associations in southeastern territory with the suggestion that matters of mutual interest could probably be acted on. This meeting is not designed to interfere with state conventions.

Deposit Bond Not an Asset

Alabama Attorney-General Rules \$20,000 Guaranty of Home Fire of Arkansas Immune from Receiver

MONTGOMERY, ALA., Dec. 17.—A bond of \$20,000 issued by the National Surety and posted in this state two years ago by the Home Fire of Arkansas for protection of Alabama policyholders, is not an asset of the company and cannot be handled by the receiver, under a ruling by Attorney General McCall to the insurance department. The Home Fire recently went into the hands of a receiver.

"Individual claimants should file their claims with the receiver," he held, "whereupon the receiver, after liquidating the assets of the company, should pay to each claimant his pro rata. The receiver has nothing to do with the bond for the reason that the bond is not part of the assets of the company. The receiver merely pays to Alabama claimants their pro rata share of the general assets of the company. When this is done, the bondsmen are liable to the individual Alabama claimants for whatever loss they may have sustained by reason of the failure of the Home Fire Insurance Company."

He also held that the bond should remain in the custody of the Alabama

ANNOUNCING A New Retirement Annuity

ANNUITY business is fast finding its place as another economic factor of society. Not until recent years have the different forms of annuities become generally recognized as a popular investment among people who desire a guaranteed income for life.

The John Hancock's New Retirement Annuity is already meeting a public demand among school-teachers, nurses, and business women who desire a definite income at a definite age—also among men who have no dependents and those who, having provided for their dependents through life insurance, wish to establish a retirement income for themselves.

Some Features about the NEW John Hancock Retirement Annuity

Issued on Men and Women ages 15 to 64—Retirement ages 45 to 75 without examination unless disability feature is desired. Death Benefit always equals or exceeds annuity premium deposits. Income at retirement age automatic and guaranteed for 10 years certain and continuous, unless one of two other option methods of settlement are selected. Cash Surrender value, and loan provision after payment of first year's premium. Total and permanent disability feature. (Waiver of premiums and monthly income.) Income based on either \$100 of annual premium or \$10 monthly premium.



The Language

Everybody Knows



Joyeux Noel	(French)
Froliche Weinachten	(German)
Una feliz Navidad	(Spanish)
Buon Natale	(Italian)
God Jul	(Swedish)

You may not understand these holiday greetings expressed in various languages but everybody understands the language of the heart in which we are wishing you a very Merry Christmas.

The New Brunswick FIRE INSURANCE CO.

WILFRED KURTH, President
59 Maiden Lane New York, N. Y.

ONE HUNDRED AND TWENTY-FIFTH ANNIVERSARY
1805 - 1930

Caledonian Insurance Company

The Oldest Scottish Insurance Office

Caledonian-American Insurance Company of New York

ROBERT R. CLARK,
U. S. Manager and President

THE NETHERLANDS INSURANCE COMPANY OF THE HAGUE, HOLLAND

Est. 1845

ROBERT R. CLARK, U. S. Manager

EXECUTIVE OFFICES: HARTFORD, CONN.



At Christmas Time

AT Christmas time, the endless round of tasks—preparing dailies, checking balances, collecting premiums due, filing loss reports—all are forgotten for the moment while holiday greetings, expressed by friends, warm our hearts and renew our courage.

It would be pleasant to greet you personally at this time but since that is impossible, we extend to you our sincere wish for a *Merry Christmas*.

THE CAROLINA INSURANCE COMPANY
WILFRED KURTH, Pres.

59 Maiden Lane, New York



treasurer pending such action as Alabama claimants see fit to pursue.

The Home Fire did a large business in Alabama and policyholders are fortunate in two particulars, first, that a bond instead of securities was required, and also that the Home Fire was not allowed to make the bond in the Home Accident, running mate also declared insolvent.

Injunction Asked to Stop Dissolution of Old Agency

NEW ORLEANS, Dec. 17.—An injunction to prevent T. B. Norton from dissolving the 30-year-old insurance firm of Emery & Norton was sought in a petition filed in court here by R. L. Emery, Sr.

Judge Boatner signed an order commanding Mr. Norton to show cause at a hearing tomorrow why an injunction restraining him from seeking to dissolve the firm should not issue.

In his petition Mr. Emery claims that to disrupt the firm would affect approximately 200 agents of the company in various sections of Louisiana and Mississippi. In 1900, he alleges, he secured the general agency in the two southern states for the National of Hartford and the Merchants & Traders. A year later Mr. Norton was admitted as a partner. Last October Mr. Norton sought to dissolve the partnership and to secure the two companies for an agency of his own, the plaintiff says.

Better Trade Group Acts

RICHMOND, Dec. 17.—The Virginia Better Trade Association announces that it is preparing to take action against several unlicensed insurance companies which recently inaugurated widespread mail campaigns soliciting residents of Virginia. Action is also contemplated against those who are selling insurance without a license under the guise of automobile association service and savings accounts.

C. V. Werne, counsel for the association, is contemplating injunction proceedings against those now under investigation with a view of preventing their further operation in Virginia. In cases in which there is misleading advertising or other deceptive practices, they may be brought before the federal trade commission.

Can't Deduct Bridge Bonds

BIRMINGHAM, Dec. 17.—Insurance companies which bought the \$5,000,000 worth of toll bridge bonds of the Alabama Bridge Corporation can not deduct the amount of these holdings from their capitalization for taxable purposes by the state, under a ruling of the Alabama Tax Commission, given at the instance of the insurance department. The bonds are declared to be those of a private corporation and therefore not like state, county or municipal which may be deducted from capital for taxation matters.

Nashville Losses Lower

Losses this year in Nashville are much lower than in previous years, according to the report of engineers for the National Fire Protection Association. The new fire alarm headquarters is completed and a drill tower has been erected and is in operation. The intensive inspection campaign is being maintained.

Tucker Is Rate Case Counsel

J. R. Tucker, well known Richmond lawyer, has become associated with R. G. Williams of Winchester, who has been representing the state in the fire rate reduction case now before the Virginia supreme court of appeals. Mr. Tucker is a former counsel for the state corporation commission. The companies are represented by S. W. Zimmer, president of the Petersburg Fire and counsel for the Virginia Inspection Rating Bu-

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reau, and J. J. Leake, counsel for the Virginia Fire & Marine.

New Memphis Agency

Elmer Harris and Neely Grant have formed a local agency, Grant & Harris, at 214-222 Bank of Commerce, Memphis, Tenn. The new firm represents the Yorkshire, Norwich Union, North River and Continental Casualty.

Mr. Harris has been with Van Court, Inc. Mr. Grant has operated exclusively in the insurance field as Neely Grant & Co.

Report on Ashland, Lexington

A new building code has been adopted in Ashland, Ky., engineers for the National Fire Protection Association report. Wooden shingle roofs are prohibited. The fire prevention committee has been active in a campaign to remove hazardous conditions in the congested district.

A new building code was adopted recently in Lexington, Ky., and the engineers report that progress is being made by the fire prevention committee of that city.

Free Sprinkler Connections

The annual charge for automatic sprinkler connections has been eliminated by the board of water commissioners of Macon, Ga., according to a report of the engineers of the National Fire Protection Association. This is an excellent step for the encouragement of private fire protection, the engineers observe.

Want Board Self-Insurer

LOUISVILLE, Dec. 17.—Fire insurance interests in Louisville are found condemning the report of auditors for the Louisville board of education, who recommended that the board carry its own insurance on school property, establishing it by placing \$25,000 in such a fund. It is claimed that the board now enjoys a very low and favorable blanket rate, especially considering many portable frame type buildings which have been built at schools which became overcrowded.

Lexington Water Supply Restored

Lexington, Ky., for the first time in several months has a full water supply, as a result of construction of a 20-inch main six miles to the Kentucky river,

ON THE PACIFIC COAST

Riverside Town Report Made

National Board Engineers Declare the Fire Department of the City Is Undermanned

The National Board engineers find the fire loss for the last five years at Riverside, Cal., \$283,133, the average loss per fire being \$446 and the average loss per capita \$2.08. The water supply works are adequate but have some unreliable features. Outside the central portion of the city the distribution system lacks proper capacity to deliver sufficient quantities for fire protection. The fire department is seriously undermanned, is only fairly well equipped and is not properly trained. The fire alarm system is inadequate and not thoroughly reliable. In the principal mercantile district group fires involving several buildings are probable in most of the blocks. In two blocks such fires could readily involve most of the block. The fire department is undermanned and lacks some equipment but with an adequate water supply and good width of streets a general conflagration should be prevented. Serious group fires are likely to occur in the packing house and warehouse sections which are largely of frame buildings.

which is delivering 4,000,000 gallons a day to the reservoirs. The line broke shortly after being placed in operation, but was repaired and back in service in a few hours. Fortunately there was no serious fire during the long period of water shortage.

* Louisville Board Elects Jan. 14

LOUISVILLE, Dec. 17.—The annual meeting of the Louisville Board will be held Jan. 14. Frank H. Brown, Brown & Martin, is now serving his second term as president.

Woman's Insurance Club Elects

NASHVILLE, TENN., Dec. 17.—Miss Annie M. Goodman has been elected president of the Woman's Insurance Club of Nashville, succeeding Mrs. Micky McLaren. Miss Callie Yarborough was elected vice-president; Mrs. Richard Allen, secretary, and Miss Mary L. Thompson, treasurer. The retiring president was presented with a silver loving cup.

Virginia Notes

Wilbur A. Trout, 81, who operated a local agency in Front Royal, Va., for many years, died recently. He retired from active business five years ago.

The **Virginia Fire & Marine** has planted with three additional agencies in Richmond—Harrison & Bates, Brooks & Richardson and the Laburnum Realty Corporation. The company now has ten agency plants in Richmond.

Louisiana Notes

Bryan Bell, prominent New Orleans insurance man, has been nominated for chairman of the association of commerce members' council.

A. J. Renaud, 65, vice-president of H. R. Speed Insurance Agency, Monroe, La., is dead from a paralytic stroke. He had been with the agency more than 20 years.

Southern Notes

W. G. Fargo, who for many years was a partner in the old Nixon & Fargo agency, Augusta, Ga., is now with the Pan-American Life agency at Augusta.

Albert J. Brewerton, well known local agent of Greenwood, Miss., has been elected president of the Greenwood Kiwanis Club.



What is schedule rating?

Schedule rating is a system of merit rating used to adjust premium rates to varying physical hazards of risks in the same manual classification. The system takes the form of applying credits or debits to the manual rate in recognition of loss prevention measures and safe conditions, or the lack thereof. For instance, certain premium reductions might be made for machine guards, or elevator door interlocking devices, or their absence might call for the imposition of an additional premium.

These are refinements that a manual rate cannot take into consideration. The existence of physical hazards is determined by personal inspection, and more often than not, their elimination or modification is suggested by the insurance carrier. Preventive measures are tested by the carriers, and only those of merit are approved.

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HARTFORD, CONN.

CHARLES E. DOX
Manager Western Dept.
CHICAGO, ILL.

WM. W. GILMORE
Manager
SAN FRANCISCO

managers of San Francisco. An informal meeting was held Friday looking toward the formation of a committee to cooperate with the fire and casualty agents in presenting the proposed measure. D. E. Mooney, Peoria Life, first vice-president San Francisco Life Underwriters Association and vice-president of the San Francisco General Agents & Managers Association, has held several conferences with the fire agents with reference to the proposed legislation.

Idaho Code Completed

Copies of the proposed Idaho insurance code, as recommended by the insurance commission, have been completed and mailed to all interested persons by D. C. Neifert, director of insurance and secretary of the commission.

Preparation of the code required months of labor on the part of the commission, which was appointed by Governor Baldridge on authorization of the legislature at its 1929 session.

Oregon Tax Refund Rule

Legislative action is required for marine companies in Oregon to procure a refund of taxes which have been paid mistakenly since 1929 on the total income basis instead of on the net profit basis. This is the opinion of the attorney general's office of Oregon.

"It is a well established rule," the opinion declares, "that taxes paid under a mistake of law cannot, where expul-

sion has not been used to enforce such payment, be repaid."

Continue Los Angeles Conferences

SAN FRANCISCO, Dec. 17.—The special committee of the Pacific Board which has been investigating conditions in southern California reported Friday. No definite plan of revising the agency set up in Los Angeles was submitted and according to reports the conferences with the agents of that city will be continued until a remedy for the conditions complained of by the members of the Pacific Board is determined.

L. S. Hotchkiss Is Suicide

Funeral services have been held for L. S. Hotchkiss of Oakland, former president of the California Association of Insurance Agents, who committed suicide by shooting himself. The entire executive committee of the agents' association attended the services. Motive for the suicide has not been determined. The partner of Mr. Hotchkiss, H. R. Schroeter, is also a past president of the agents' association.

Glendale Agents Organize

LOS ANGELES, Dec. 17.—Organization of the Glendale Insurance Agents' Association was completed at a luncheon, when the association elected directors and adopted a constitution and by-laws. John Knight, president, presided. Directors, in addition to the president, are W. E. Hadsell, secretary;

C. M. Coye, Dan Berman, Dan Smith, G. E. Coleman and A. H. Voelker.

Frown on Term Rules

Because of strong and continued opposition of the local and general agents in California against the proposed new term rules of the Pacific Board, it is now being predicted that the rules will not be approved.

Explains New Life Insurance Plan

J. C. Buchanan, grand nest life insurance committeeman, addressed the regular meeting of the California Blue Goose in Los Angeles last week. He discussed the new life insurance arrangement.

Coast Notes

The annual dinner dance of the Utah-Idaho Blue Goose will be held in Salt Lake City Dec. 29. R. E. Jones is chairman.

A. U. Baillie, secretary of the Home of New York, is visiting Ray Decker, general agent in San Francisco.

F. L. Hunter, Pacific Coast manager for the Norwich Union, is in the Pacific Northwest on an agency trip.

Approximately 75 attended the last meeting of the Los Angeles Fire Insurance Exchange. President H. G. Bobey appointed seven standing committees.

F. J. Agnew, assistant secretary Fireman's Fund, who has been enjoying a well earned vacation, returned to his desk on Monday after three weeks' absence.

Mountain Field Activities

Arson Work Shows Results

National Board Men Secure First Conviction in Ten Years — Aid in Prosecution

DENVER, Dec. 17.—Since the opening of the arson investigating office here for the National Board a number of prosecutions have received its efficient assistance. R. F. Bieneman, Brush, Col., has been convicted of setting fire to a hotel with intent to defraud or prejudice the insurer. The conviction was secured before the district court, sitting at Holyoke, Col., and is the first conviction obtained in the Holyoke district in ten years.

Activities of the local arson office have just resulted in the arrest of A. L. and Joseph Rachofsky, proprietor and salesman, respectively, of the Midland Clothing Company of Denver, charged with setting fire to the merchandise stock of that company.

Underwriters Salvage Opens Office

DENVER, Dec. 17.—The Underwriters Salvage of New York is opening offices at 865 Gas & Electric building

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here to give better service to the Mountain field, according to G. G. Scarlett, general agent at San Francisco, who was here last week to complete arrangements.

F. L. Henkel, formerly with the southern department in Atlanta, will be state agent in charge of the Denver office, having supervision over Colorado, Wyoming and New Mexico.

Steel Heads Denver Agents

DENVER, Dec. 17.—N. C. Steel, insurance manager of the Denver National Company, was elected president of the Denver Association of Insurance Agents at the annual meeting last week. He succeeds M. S. Schayer, who was elected a director. S. L. Drake, Drovers Agency, was elected vice-president, and Samuel Silverman, H. W. Bennett & Co., was reelected secretary. In addition to Mr. Schayer, other directors elected are Frank England, W. R. Kerr, H. F. Thomas and Herbert Fairall.

Buying Move to Aid Insurance

DENVER, Dec. 17.—Insurance leaders here have expressed the opinion that additional insurance business will follow the drive against fear and business depression launched recently by the Denver Lions Club. Following the lead of Lions International, the Denver club in a joint meeting with all the service clubs, the chamber of commerce, American Legion, manufacturers and merchants associations attended a luncheon to participate in the "Business Confidence Week" program. Some of the slogans adopted were: "Idle Dollars Make Idle Men!" "Put Your Dollars to Work!" and "Help Bust the Buyers Strike!"

"Results will not be noted in the insurance business immediately," said Frederic Williams, secretary of the Rocky Mountain Fire Underwriters Association, "but it is hoped 'Business Confidence Week' will hasten the time when stocks will be enlarged, requiring additional insurance."

Reams Sees Prosperity Ahead

DENVER, Dec. 17.—A prosperous period is ahead, according to John L. Reams, manager of the mountain department of the American of Newark, who declared this prosperity will "not be a flash in the pan." "The year 1931 will be better than 1930," he said. "A good year is sure to follow the wonderful crops now being harvested in this

country, and with the price of grains advancing, cattle surely will come up again. I hope the unemployed will not rush in here as they have in some localities which are more prosperous than others. That would complicate our return to more prosperous times here. It is generally known this country is in better shape than most other sections, giving rise to the danger of attracting those who have not been fortunate elsewhere."

Inspecting Colorado Cities

The Mountain States Inspection Bureau will conduct an inspection of the wiring in Alamosa, Colo. H. M. Mack, assistant manager, and V. C. Moulton of the bureau will go there at once. Consideration of improved protection for Canon City, Colo., is under way by business leaders there.

Mountain Notes

E. A. Sperry, Denver local agent, left a local hospital last week after undergoing a major operation.

R. G. Tressler, special agent for Cobb, Miller & Stebbins, general agents, was recently married to Miss Phyllis DeLay of Burlington, Colo.

A. W. Pollard, who has operated an insurance agency in Deming, N. M., for many years, expects to start on a trip abroad early in January. He has made a number of trips to the European continent, but this time, he will hunt out places he has not visited before.

Roy E. Ebles of Wichita, Kan., president of the Central States Fire, visited the Gerald Schuyler agency in Denver recently. While en route to Denver, Mr. Ebles was snowbound on a train in eastern Colorado 40 hours.

Utah Notes

The ladies' auxiliary of the Utah-Idaho Blue Goose entertained members at a bridge dinner in Salt Lake City. It is reported that there were 40 in attendance.

L. C. Young, who has been an independent adjuster in Salt Lake City for 16 years, has been added to the staff of the Salt Lake office of the Pacific Coast Adjustment Bureau.

W. D. Lewis, assistant secretary of the sprinklered risk department of the Pacific Board, has been in Salt Lake City assisting I. W. Story, manager of the sprinklered risk department of District "F" in rechecking special risks in that field.

E. C. Roberts, examiner of District F of the Pacific Board, Salt Lake City, announces the arrival of a baby girl. **J. H. Roberts**, secretary of District F office, thereby gains the distinction of being a grandfather.

EASTERN STATES ACTIVITIES

Conduct Baltimore Course

H. S. Ogden, Fidelity & Guaranty Fire, Gives Lecture on Supervision—Robertson to Speak

BALTIMORE, Dec. 17.—An interesting series of lectures by prominent insurance men are features of the fire insurance branch of the educational course being conducted by the Insurance Society of Baltimore. The first topic, "State Supervision of Insurance Companies," was discussed by H. S. Ogden, Fidelity & Guaranty Fire. The balance of the program follows:

Speakers and Their Topics

Dec. 8 and 15, "Common Fire Hazards," W. F. Brundick, Baltimore Association of Fire Underwriters; Dec. 22 and Jan. 5, "Special Fire Hazards," F. F. Dorsey and H. E. Helm, assistant secretaries Fidelity & Guaranty Fire. The dates of the following remaining lectures will be arranged later. "Fire Protection and Prevention," C. V. Gordon, Association of Fire Underwriters; "Policy Contract," Calvin Chesnut; "Underwriting," J. T. Robertson, vice-president Fidelity & Guaranty; "Insurance Side-Lines," C. V. Simpson, Mason

& Carter. Fifty-five Baltimore insurance men are taking the course in fire insurance and 90 percent of them are beginners. The examinations will be held next April.

Form Anthracite Field Club

Frank S. Welsh, America Fore, has been elected president of the newly organized Anthracite Field Club of Pennsylvania, the initial meeting of which was held in Scranton. The vice-president is F. S. Bachman, Hudson; secretary, S. G. Lewis, Springfield; treasurer, C. O. Howley, Milwaukee Mechanics. The next meeting is scheduled for early in January.

Newark Church Loss \$200,000

NEWARK, Dec. 17.—Local adjusters estimate that the loss on the Second Presbyterian Church, which was almost totally destroyed by fire Dec. 1, will be between \$175,000 and \$200,000. Insurance carried by the church was \$462,000, part of it being on the new building recently completed in the rear of the church, which was not damaged. The loss to the American of Newark, whose building adjoins the church, will not be more than \$25,000.

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IN THE CANADIAN FIELD

Canadian Companies to Merge

Merchants & Employers Guarantee & Accident's Stockholders to Consider Consolidated Fire Reinsurance Deal

A special meeting of the stockholders of the Merchants & Employers Guarantee & Accident of Montreal has been called for Dec. 22 to act upon a proposal to reinsure the company's business in the Consolidated Fire & Casualty of Toronto. The proposal contemplates that the Merchants & Employers will be liquidated and that 48,420 shares of the Consolidated Fire of a par value of \$10 each paid up to the extent of \$4 per share be distributed among the Merchants & Employers stockholders.

The Consolidated Fire was organized this year. The Merchants & Employers was organized in 1909 and incorporated under its present name in 1911. Its last annual statement shows \$90,000 paid capital and \$23,379 surplus.

Five-Year Loss Ratios Given

Favorable Experience on Protected Risks Offset by Losses on Farm Property

OTTAWA, Dec. 17.—An analysis of fire insurance premiums and losses in Canada in 1929 and in the five years 1925 to 1929, has been compiled.

The business is divided into 27 classifications and covers more than \$58,000,000 of premiums in 1929 and over \$277,000,000 in the five-year period, the average loss ratio in 1929 being 53.87 percent, and the loss ratio for the five-year period 48.68 percent. Losses on sprinklered risks were 40.97 percent for 1929 and 35.82 percent for the five-year period, making a favorable showing.

The value of fire departments is exemplified by the experience on dwellings. Those in protected cities, towns and villages in 1929 produced a loss ratio of 38.6 percent, whereas dwellings in unprotected municipalities suffered a loss of 58.81 percent. Similarly the loss ratio in protected municipalities for the five-year period was 33.8 percent, against 59.73 percent in unprotected towns.

Farm Experience Unfavorable

An unfavorable experience on farm risks is indicated by the loss ratio on "all other dwellings and farm property" of 76.37 percent in 1929, and 74.76 percent for the five years, with premiums in the latter period of over \$14,000,000.

The loss-ratio for the five-year period on saw-mills was 67.46 percent, on boot and shoe factories 98.52 percent, and on tanneries 165.52 percent. These classes show consistently high loss ratios, whereas the loss ratio on pulp and paper mills, pork-packing houses, breweries, lumber yards, unclassified mercantile risks and machine shops is favorable.

Kay Made Canadian Manager

MONTREAL, CAN., Dec. 17.—E. J. Kay has been appointed Canadian manager for the North British & Mercantile, succeeding the late C. A. Richardson. Mr. Kay was born at Sheffield, England, 56 years ago, and served with the Palatine Co. and the Commercial Union, and has been with the North British & Mercantile since 1912.

See Increased Loss Ratio

WINNIPEG, Dec. 17.—A comparison of this year's fire insurance business with last, according to a report recently issued by an authoritative source, discloses that last year the premium income of Canadian licensed companies was approximately \$56,000,000, while

losses for the year were \$30,209,000, making a loss ratio on the basis of premiums written and losses incurred of 53.84 percent. It is commonly reported that there will be little or no reduction in the amount of fire losses this year, but that the premium income will probably be reduced 10 percent, making a loss ratio in prospect for 1930 of between 58 and 60 percent.

Fletcher with Dale & Co.

TORONTO, Dec. 17.—Dale & Co., Toronto, has appointed H. G. Fletcher superintendent of its fire department. Mr. Fletcher formerly served with the Hudson Bay and Newark, the Canadian Fire Underwriters' Association and for the past eight years has been Ontario superintendent of the Commercial Union.

Open New Branch Offices

Osler, Hammond & Nanton, one of the oldest firms in Winnipeg, and widely known throughout the western provinces, is opening a branch office at Calgary, Jan. 1, under the management of E. S. Buchan, who will conduct a general insurance business. This is the

agency's second branch, one being started in Vancouver, B. C., early in the year.

A. E. Wilson & Co. of Toronto, have opened a new branch at Vancouver with J. A. Maxwell as manager. The firm also has a branch in Winnipeg.

Cover Loss of Rentals

The Northern, through its special agency in Montreal, has written a line of \$125,000 to cover loss of rentals due to damage by sprinkler leakage. It is understood that this hazard has not before been written in Canada, though it is common in large industrial plants to cover use and occupancy in connection with sprinkler leakage.

B. M. Armstrong Dies

WINNIPEG, Dec. 17.—B. M. Armstrong of the well known firm of Black & Armstrong, died suddenly last week. Mr. Armstrong was prominently identified with many activities in this city. He was known in the insurance business from coast to coast, and also in the United States, having been associated with the business for more than 20 years.

Providence Washington Appointment

Morgan, Nicholson, Ltd., of Winnipeg have been appointed general agents of the Providence Washington for the province of Manitoba.

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Texas Loser in Commission Case

(CONTINUED FROM PAGE 3)

ity upon the board and at the same time meet the ruling of the court. Other insurance men declare this is impossible, since it would impair the right of contract and violate the anti-trust laws.

RESULTS OF THE DECISION

DALLAS, TEX., Dec. 17.—This case has probably attracted more attention in fire insurance circles than any litigation in Texas for the past two decades.

When the order was promulgated by the board the Commercial Standard of Dallas and three other Dallas companies filed suits contesting the validity of the ruling. They declared the order was in violation of the right of contract, that the laws of Texas did not give the board such authority and that it would eliminate competition in the business.

The Travis county district court issued a temporary restraining order against the board, preventing it from enforcing its flat commission order against the contesting companies until the suits might be heard on their merits.

The cases dragged for more than a year in the courts and the district court then decided the cause in favor of the board. An appeal was taken to the appellate court.

Recall 1929 Situation

It has been stated by the board that if the ruling were not sustained the entire commission muddle in Texas would be right back where it was in 1929, when it was charged that a rate war was threatened.

At this time it is not definite what action the board may take. It can appeal to the supreme court, on a writ of error, but there has been a report in judicial and insurance circles that the supreme court would disclaim jurisdiction in the matter. If that report is true, the decision of the appellate court just rendered, ends the argument. It is said should the board appeal to the supreme court a final decision may not be rendered before the spring of 1931, and until that time the situation in Texas would be unchanged—that is the contesting companies might continue paying what is termed excess commissions while the greater number of the other companies would abide by the order of the board.

According to many insurance men the situation in Texas during the past few months has been unsettled because "several of the out-of-state companies have been paying excess commissions in order to meet competition."

It is alleged some of these companies, finding themselves in the same office with the Texas companies which were paying 25 to 35 percent commission, had to pay more than the board specified in order to meet the competition. It is also alleged by these insurance men that the state board has been apprised of the situation.

Some Good Accomplished

A good many of the fire insurance men in Texas say if the decision of the appellate court is final and the companies are permitted to return to the old order of things, some good has already been accomplished by the board's ruling and that a great many of the companies will of their own accord fix 20 percent as the maximum commissions. These insurance men point out the fact that every company doing business in Texas, except the four complaining concerns, agreed to abide by the ruling of the board and that the larger part of them have been doing this for more than a year. They also point to the fact that the Texas Association of Insurance Agents is on record as favoring the flat commission ruling and that the members of that organization probably would continue paying not more than 20 percent any way.

"The decision of the appellate court merely knocks out the board's authority to promulgate such order," one insur-

ance man said. "But the insurance agents and the companies in Texas have learned by operating under the ruling that much good has been accomplished by it. It will be up to them to say if they continue the present commission rates, and in all probability they will continue them."

The great interest is what the out-of-state companies will do in case the decision is final. It is known some of these companies have been paying excess commissions and it is expected they will continue. If all foreign companies begin paying excess commissions, the Texas companies would have to follow and any good the board's ruling has done would be undone, insurance men say.

Assistant Attorney General Dewey Lawrence authorized the statement that the attorney general's department will file a motion for rehearing in the Austin court of civil appeals and if overruled apply to the supreme court for writ of error if the board desires it.

Salvage Volume Less This Year

(CONTINUED FROM PAGE 4)

pete with the chain stores in the sale of bread. Farmers' wives no longer bake their own bread and since bread is so great a portion of the farmer's diet, the farmer more and more is patronizing the store from which he buys his bread. That is the chain store, which has such splendid avenues for marketing bread. The independent merchant has great difficulty in finding a local baker to supply him with bread at prices to meet chain store competition.

Another line in which the independent merchant has been frozen out is millinery. The rapid growth of the \$1.88 hat shops or shops offering some other standard price have been disastrous competition. This does not, however, affect the salvage company for hat store fires usually produce junk.

Stock of Wire Brushes

The salvage company has had two stocks this year which have been exceptionally hard to turn. One was a large supply of wire brushes, which had been stored in the salvage company plant for several months and only a week or two ago were finally disposed of. Another stock was an exceptionally cheap grade of furniture, which did not even find a market among country buyers. There have been several grocery stocks and at present the staff of the salvage company is preparing for sale a large supply of groceries from the Proutry Grocery Company of Des Moines. On the way to the salvage company now is a stock of 28,000 pairs of shoes from the B&B shoe factory of Milwaukee. Another stock consisted of \$30,000 worth of coffee from the Hoosier Coffee Company of Indianapolis. One grocery stock consisted almost entirely of cereals and baking powder.

A large supply of leather is now being dried. When plans were being made for the salvage company's new plant at 215 South Laflin street, Mr. Forbush insisted that wooden beams and pillars be used against the desire of some that the construction be entirely of concrete. The necessity of wood construction is illustrated by this leather stock, which must be dried by hanging from boards nailed from pillar to pillar.

Gasoline Warning Issued

The National Board has issued a warning against the use of gasoline or other substitutes for the special dry cleaning fluid in portable dry cleaning and washing machines, which are being advertised from \$5 to \$15. The special cleaning fluid is safe, according to the National Board, but it costs \$1.80 per gallon. The fear is expressed that housewives will turn to gasoline for the sake of economy, thereby causing a hazard to life and property.

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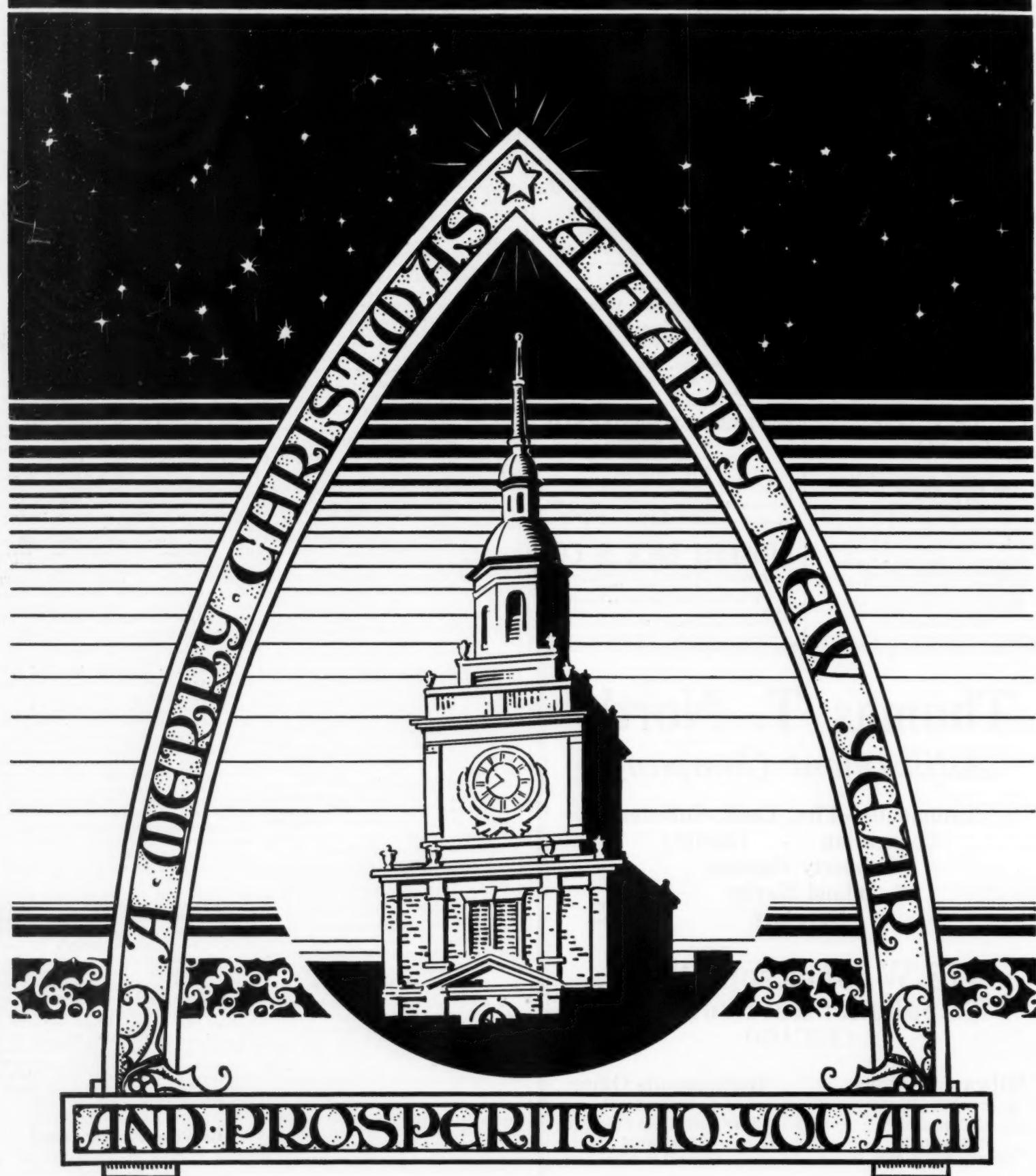
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The National Underwriter

December 18, 1930

CASUALTY AND SURETY SECTION

Page Thirty-nine

Pick Washington for 1931 Meeting

Executive Committee of Health & Accident Conference Selects Capital for Next Convention

NEW MANUAL EXPLAINED

Resolution Adopted Deprecating Use of Misleading Phraseology in Policies or Sales Literature

The annual meeting of the Health & Accident Underwriters Conference will be held in Washington, D. C., the latter part of May, decision to that effect having been made by the executive committee of the conference at its mid-winter meeting in Chicago this week. The exact dates were left to be fixed by the executive secretary, H. R. Gordon. The tentative dates suggested were May 25-27 and this time will probably be chosen if satisfactory hotel arrangements can be made.

Follows Medical Section Meeting

One consideration that influenced the selection of the time and place was that the Medical Section of the American Life Convention will hold its meeting in Washington the preceding week. Dr. John R. Neal of the Abraham Lincoln Life, president of the conference, is in charge of the program for that meeting and stated that it will include many features that will probably be of interest to accident and health as well as life insurance men. A notable program is being arranged, which will include a symposium on the health work being done by the various government departments, with the surgeons general of the army, navy and public health service participating. Col. L. H. Bower, chief medical officer of the Department of Commerce, will talk on the hazards of aviation and Dr. Gilbert Fitzpatrick of Chicago will show the Carty cancer films. Dr. W. G. Morgan, president of the American Medical Association, has also promised to be present and speak.

Misleading Phraseology Criticized

As an outgrowth of the discussion at the Lake Wawasee meeting on the use of the words "non-cancellable" in policies which are non-cancellable only for their term, resulting in instructions to the executive committee to bring in a resolution on the subject, this resolution was adopted by the committee:

"Resolved by the Health & Accident Underwriters Conference that in the drafting of accident and health policies, all names, titles, headings, phraseology or sale literature, not easily understood, or which is misleading, or which may be susceptible to misrepresentation, should be avoided by the members of this conference."

An interesting report on the changes made in the new classification manual, which is now ready for the printers and

Automobile Deaths 32,000 This Year, Estimate Shows

INCREASE SET AT 4 PERCENT

Year Started Off with 11 Percent More in First Five Months, Travelers Reports

Motor vehicle accident deaths in the United States this year will be approximately 32,000, or 4 percent greater than last year, it is indicated by reports of state authorities received by the Travelers. Thus this year's fatality toll is 155 percent greater than in 1920 and 46 percent greater than the 1925 figure.

The estimate is based on figures from 39 states, 31 of which reported fatalities through October, the last month for which complete figures are available.

Early Figures Were Large

During the period covered by state reports the rate of increase in deaths was much greater for the first half year than is indicated for the entire year. From January to May, inclusive, motor vehicle deaths increased nearly 11 percent over the corresponding period last year. In the second half of the 10-month period there was a decrease of less than 1 percent from the record for the same months last year.

Although the number of deaths from June to October, inclusive, exceeded by nearly 33 percent the fatalities for the first five months, the increase has not been as great as for the same period last year. In 1929, deaths from June to October increased 46 percent over the number for the first five months.

If the rate of increase prevailing in the first five months this year had continued upward in the second five months as it did last year, the increase in motor vehicle deaths for this year would have been more than 3,000 instead of the 1,000 indicated.

is expected to be out some time in January, was made by R. S. Hills of the Massachusetts Bonding, chairman of the manual committee. For the first four classifications the committee has adopted the same designations used in the manual of the Bureau of Personal Accident & Health Underwriters. For the more hazardous occupations there is a greater subdivision in classifications. In a general way the new manual reduces the number of listings but increases the number of occupations listed, by combining some of the present listings under general schedules, such as wood working and metal working.

Seek Cooperation of Commissioners

One important change is that placing physicians, surgeons and dentists in the third class, in line with the Bureau manual. The existence of the automobile hazard as regards salesmen is recognized, making the second class the highest one in which they can be placed. Real estate agents, placed in the third class by the bureau, are given a second class rating in the new conference manual. Painters and policemen are placed one class lower than heretofore.

J. W. Scherr, Inter-Ocean Casualty, chairman of the legislative and public relations committee, reported on the

Motor Vehicle Casualty Is Now in Running Order

STOCK COMPANY LICENSED

Cyrus L. Garnett, Who Was Head of the Reciprocal, Heads the New Enterprise

The Motor Vehicle Casualty with head office at 223 West Jackson boulevard, Chicago, has been licensed by the Illinois department with \$200,000 capital and \$50,000 net surplus. The company will write full cover automobile insurance. It succeeds to the business of the Motor Vehicle Underwriters, a reciprocal, which as soon as its business expires and liability ceases, will be liquidated.

Cyrus L. Garnett, who is head of the Motor Vehicle Underwriters and is president of the Motor Corporation, its attorney-in-fact, is president of the new company. George W. Casey, who is assistant secretary of the Motor Corporation, is vice-president and assistant secretary. Osborne Sheppard is vice-president and assistant treasurer. He is vice-president of the Motor Corporation. Edward W. Cox, who is secretary and treasurer of the Motor Corporation, becomes secretary and treasurer of the stock company. All these men have been associated in business for many years.

MOTOR VEHICLE UNDERWRITERS SUCCESSFUL

The Motor Vehicle Underwriters has been most successful in its operations. Its cash assets at the beginning of this year were \$553,458, premium reserve \$213,177 and net surplus \$241,151. Its net premiums written last year were \$581,363 and the loss ratio 43.3 percent. Mr. Garnett is a man of fine training and is an excellent business pilot.

The Motor Vehicle Underwriters started Jan. 1, 1915, and has been consistently successful. It adopted a conservative underwriting policy and has followed it consistently. The loss ratio since organization has been 43.2 percent. The Motor Vehicle Casualty will continue the office organization and agents of the Motor Vehicle Underwriters. The company is licensed only in Illinois at present.

Mr. Garnett and his associates are all men of high repute, who are trained in insurance and whose desire has been to build up a substantial institution. The Motor Vehicle Casualty will enable them to accomplish more than they have in the past and will draw a larger number of agents and brokers.

work done by that committee so far, particularly along the line of establishing better relations with the state insurance departments. A letter was sent out to all commissioners, expressing a desire for friendly cooperation and offering the commissioners all the facilities of the conference in the way of statistical and other information which it has available. It was requested that Secretary Gordon of that committee be given notice of proposed rulings affecting accident and health insurance and be given an opportunity to appear before the department in connection with such

(CONTINUED ON PAGE 50)

Strenuous Life of Committee

Commissioner Brown's Forces Had Important Work at New York Meeting

TWO CAMPS ARE HOSTILE

Objection Was Made to Manner in Which National Council Passed the Amendments

The committee on compensation insurance of the National Convention of Insurance Commissioners led a strenuous life for the first three days of last week when the commissioners were meeting in New York. Commissioner Brown of Minnesota is chairman of the committee. The committee members and the commissioners in general seem very much aggrieved at the way the National Council on Compensation Insurance proceeded to pass amendments introduced at the commissioners' annual meeting at Hartford, before the committee or the commissioners' convention had taken any action.

Contention of the Committee

The committee contended that the amendments were submitted by C. W. Hobbs of the National Council, who is the commissioners' representative in that body. It was understood that they were simply filed with the understanding that no action would be taken until the December meeting when the committee would have an opportunity of reviewing them and hearing arguments. In October, however, the amendments were passed by the National Council.

Chairman Brown and his committee had a hearing Monday of last week continuing until 1 o'clock and then called another meeting in the afternoon. Later an executive session was held.

Manager Behn's Position

Manager Behn of the National Bureau of Casualty & Surety Underwriters in his opening remarks said in a half facetious way he wanted it understood that the amendments had been legally and constitutionally adopted. He indicated, however, that his organization representing the stock companies had no desire to force any action against the wishes of the commissioners.

The whole subject revolved about the relationship of the National Convention of Insurance Commissioners to the National Council. After the hearing in executive session, the workmen's compensation committee adopted a report unanimously which was to be submitted Tuesday morning to the convention. It was regarded as a reflection on the stock companies for seemingly forcing through the amendments in a precipitate way. At the request of Manager Behn the report was held back.

During the day further conferences (CONTINUED ON PAGE 50)

Gangster Bank Robber Has Taken Place of Yeggman

HOLD-UP NOW IN DAYTIME

Unemployment Creates Special Hazard in Business, Clark of Fidelity & Casualty Points Out

NEW YORK, Dec. 17.—The post-war period has witnessed the virtual passing of the one-time dreaded bank burglar, and the introduction in his stead of the youthful gangster, who, equipped with an automatic revolver which he does not hesitate to use if interfered with, executes a bank robbery with precision and usually makes a clear getaway in a speedy automobile driven by an accomplice.

In the early days, fully 75 percent of bank losses, according to W. D. Clark, assistant secretary Fidelity & Casualty, were due to activities of yeggmen who, skilled in the manufacture and use of high explosives, were able to blast vaults of superior construction, and in most cases were successful.

Now Done in Daylight

"Nowadays," Mr. Clark states, "anywhere from 80 to 90 percent of bank losses are the result of daylight hold-ups, not alone in the great cities of the country but in many of the smaller communities as well." The bank criminal of today is far more youthful than the yegg of the pre-war period, for, while the latter was generally over 40 years of age, the average age of the hold-up man today is about 25.

The latter are usually of foreign birth or extraction, and are of the poolroom hanger-on type.

The high-powered machines they use in their raids are generally stolen and are driven at top speed, after a crime is committed, making capture difficult.

Tear Gas Is Effective

In addition to the time consumed in burglarizing a bank vault, especially those of modern construction, the amplified use of tear gas and alarm signals tends to discourage the old-time yeggman, and in a sense forces the more modern method of a sudden descent, quick haul and prompt get-away.

"Prevailing unemployment conditions," Mr. Clark concludes, "make the present a particularly dangerous time for establishments having money, furs, jewelry and other valuable commodities that attract the criminally inclined, and the proprietors of such places should be continually on the alert if they would escape loss by hold-up, and perhaps serious physical injury as well."

Liberalization of Policies Urged by H. R. Fahnestock

H. R. Fahnestock of the Howes Fahnestock & Bryant agency of Peoria, Ill., has issued a statement calling upon casualty companies to liberalize automobile policies and increase the rate. He suggests that public liability limits be eliminated, towing provisions inserted and a sliding scale of credit for good experience effective at termination of the policy introduced. "We would rather have 500 policies on our books with an average premium of \$40 to \$45 than an average premium of \$30," Mr. Fahnestock states.

Mr. Fahnestock severely criticizes the merit rating system as being a subterfuge for rate reduction.

The author declares that rate reduction by stock companies might have been effective if they had been put into effect at one swoop, but the downward trend has been accomplished step by step, with the result that mutuals and reciprocals have kept one or two steps ahead.

Leader Dead



G. ARTHUR HOWELL, Atlanta, Ga.

ATLANTA, GA., Dec. 17.—G. Arthur Howell of Haas & Howell died suddenly from a heart attack Saturday. He entered the insurance firm of Haas & Watson on graduation from high school in 1899. Ten years later he became a partner and the name of the firm was changed to Haas & Howell. The firm was for many years general agent for the Fidelity & Deposit and also the Maryland Casualty. It maintained the Maryland Casualty connection at the time of his death. He was an outstanding figure in southern insurance circles and was credited with having done much constructive work along the lines of his chosen endeavor. He had served as president of the Georgia Association of Insurance Agents, the Georgia Insurance Federation and the Atlanta Board. At the time of his death he was a member of the executive committee of the National Association of Casualty & Surety Agents. He also served in the same capacity for the Atlanta Association of Casualty & Surety Agents. He was an active church, civic and social leader.

St. Louis Claim Attorneys Quizzed by U. S. and State

Federal and state officers are conducting an investigation into the affairs of the St. Louis claim office of the Continental Casualty to ascertain the legitimacy of some of the claims against the company settled through W. L. Brady, St. Louis attorney and adjuster for the company.

A federal warrant charging use of the mails in an alleged scheme to defraud has been issued against Brady, who together with L. L. Lussky, another St. Louis attorney, were arrested by detectives.

Abraham Levine of Chicago, attorney and special investigator for the Continental Casualty, directed the investigation, which resulted from an anonymous letter received by the Chicago offices, in which it was charged that an accident claim ring was operating in St. Louis.

The investigation is said to involve claims based on "accidents" in which self-operated rented automobiles figured. The claims under suspicion are said to total \$10,000 or more.

Actuarial Society Examinations

NEW YORK, Dec. 17.—Examination of candidates for associate members of the Casualty Actuarial Society will be held, "generally in the city where the candidate resides," May 28-29, 1931. Those intending to take the tests are requested to file their applications at once with Secretary R. Fondiller of this city.

Continental Casualty Has Auto Loss of Use Policy

PAYS \$5 A DAY AFTER THEFT

Form Originated by Auto Specialty and Fire Companies Introduced in Casualty Field

The Continental Casualty announces the issuance of an automobile loss of use policy, which will pay the assured \$5 a day for a limit of 60 days if the assured should be deprived of the use of his automobile through theft. The premium is \$5.

The Continental believes that this is the first loss of use policy to be sold by a casualty company. The coverage was marketed first by two companies outside the National Automobile Underwriters Association. Because of the competition certain member companies of the automobile association sought to have this form approved, but have been unsuccessful. Some association companies, nevertheless, are selling the policies on their own initiative.

Sale of the Continental policy is limited to those persons who are covered against robbery, theft or larceny with a policy issued by a stock company. It cannot be issued in Arkansas, Massachusetts, New Mexico, Vermont, New Hampshire or Texas.

The 60-day period is stipulated because that is the period of grace allowed the insurer before it must make a settlement under a theft policy.

Six Companies Guaranteed Caldwell's Owensboro Bonds

The \$1,200,000 bond issued by the Southern Surety to guarantee the Caldwell Co., Owensboro, Ky., bonds, on which suit was recently brought by that city, it is understood was reinsured in five companies in the amount of \$200,000 each and several of these companies, including two in the Lloyds Casualty group, the Federal Surety and Detroit Fidelity & Surety, will contest payment on the ground of the conditions under which the bonds were issued. Caldwell & Co. took the Owensboro bonds, which were issued for city improvements, and marketed them, but paid for them only as the money was needed to pay for the improvements. If the surety companies' bonds hold good, each one of the six companies will have to stand a loss of about \$90,000.

Five More Held for Claim Fraud

BOSTON, Dec. 17.—Five more defendants, arrested on secret indictments returned in connection with investigation of the alleged widespread swindle by which it is asserted the Travelers was mulcted of thousands of dollars through fake claims, were arraigned this week. Several others are being sought by the state police.

Those arraigned were George Irvin, Marlboro automobile mechanic; T. C. Roche, Marlboro salesman; Francis J. Roche, Hudson salesman; William Desautels, Hudson painter, and Patsy Capobiano, Framingham laborer. They are indicted as either false claimants or assureds in fake claims.

Plan Cost Conference

LOS ANGELES, Dec. 17.—The Casualty Association of Los Angeles at its last meeting, with 26 in attendance, took up the question of commissions and the problem of a standard acquisition cost scale in southern California. The general opinion was favorable to the formation of a local casualty acquisition cost conference, provided 100 percent cooperation along this line could be assured by the various home offices interested.

Automobile Merit Rating Requires Further Trial

SEE DIFFERENCE OF OPINION

Insurance Commissioners Decide to Make No Definite Recommendation on the Subject

NEW YORK, Dec. 17.—In connection with the hearing given by the special committee of the National Convention of Insurance Commissioners on automobile merit rating and its report to the convention by Judge Younger of Ohio, the chairman, it is evident that the state officials do not care to dip into the subject with any sort of recommendation at this time, inasmuch as there is such diversity of opinion among the companies themselves.

Better Experience Shown

There was a well defined sentiment in some sections to the effect that merit rating had an appeal, even though the present system is greatly abused. The majority seem to feel that merit rated risks show a better experience. If it were possible to segregate the risks that would legitimately come under merit rating, some stated there was a differential of 15 percent.

Superintendent Foster of Ontario, whose committee went into the subject very thoroughly, stated that it was his opinion that there is a public demand for some form of experience rating on automobiles. That is, his investigation indicated that drivers claim that there should be some consideration taken of the human element and the rating should not be confined entirely to the physical hazards.

Meant Flat Rate Reduction

Some of those who spoke before the committee were very frank in saying that the present plan merely meant a 10 percent flat reduction in rates, regardless of whether a person had had an accident during the previous 21 months or not. Apparently opinion has not crystallized sufficiently to enable the commissioners to make specific recommendations. Therefore, they wisely refrained from taking any action one way or the other.

Owing to the conditions in the automobile insurance field at present, there is not much disposition on part of executives to countenance any further rate reduction. The tendency seems to be toward increases, if such can be brought about.

Hays Is Chicago F. & C. Director

Lake Hays, attorney of Memphis, has been elected to the board of directors of the Chicago Fidelity & Casualty.

Compulsory Insurance for University Students

ANN ARBOR, MICH., Dec. 17—Compulsory liability and property damage insurance has been decreed for students of the University of Michigan who operate cars after Jan. 1, it was announced during the past week by W. B. Rea, assistant to the dean of students. The regulation is the first modification of the original regulations of the university authorities, adopted three years ago, which virtually banished the collegiate flivver from the Michigan campus. Since the regulations have been in force there have been few accidents, it is reported. In only one instance, it is cited, has there been a case in which lack of insurance figured. In that case, a motorcycle officer was hit by a student's car, suffering injuries which resulted in amputation of one leg. A fund has been created by popular subscriptions among the student body and faculty to pay for an artificial limb for the victim of the accident.

Problem in Malingering, Psycho-Neurosis Cases

An interesting review of malingering and cases involving psycho-neuroses, which offer an equally serious problem for the accident and health companies, was given at the meeting of the Chicago Claim Association last week by Dr. J. C. Gill of Rush Medical College. Under the latter classification he included cases of so-called neurasthenia, which he said had been extended to cover a multitude of conditions; hysteria and others of similar character. The two classes have one element in common, in that in neither of them does the physical condition which is made the basis of the claim actually exist. In cases of malingering, however, the disability is deliberately and purposely assumed, while in psycho-neuroses there is an actual disability, but with its origin in mental or nervous rather than physical conditions.

Malingerer Overdoes

The malingerer, Dr. Gill said, offers less of a problem to the claim man than the psycho-neuroses, as the malingerer, however thoroughly he may have been coached, almost always overdoes things at some point and can be detected in that way. He gave some interesting examples of cases of that sort that he had examined and the way in which the fraud was detected. Cases which involve a combination of both conditions are probably the hardest of all to handle.

The psycho-neurosis case, he said, is always an individual of unstable nervous organization, with heredity and early environment nearly always contributing factors. There is no cure for such a condition, if the patient has reached the age of maturity, as it has been built into his mental and physical organization, and an entire rebuilding, which is virtually impossible, would be necessary to eliminate it. Such a person is usually unwilling to face responsibility and rather than confront the realities of life in time of crisis takes refuge in the unreal.

For example, a man of this type with a large family, who has received a minor injury, fears that he will be out of work

and unable to support his family. He is extremely amenable to suggestion, often coming from the doctor who first examined him, or sometimes from a lawyer, and what is to all outward appearances a condition of paralysis, amnesia or some other affection of the nervous centers results. Counter-suggestion may have a temporary effect, but it is only temporary.

One of the cases which he cited was that of a miner who was bumped by a mine car. His injury was really of a very minor character, but the doctor that he visited told him it was doubtful whether he would be able to work again. When he was taken to a Chicago hospital his left arm seemed to be entirely paralyzed, although examination showed that it was strictly a psycho-neurosis case.

Sees Lawyer, Trouble Returns

Dr. Gill told him he could benefit him by the use of electrical treatment. The treatment was started with the hand. The patient was told that as a result of this treatment he would be able to use his fingers the next day, and he was. The treatment was gradually extended on the arm until he had the entire use of it again. When he returned to his home he again came under the influence of a lawyer who had started a damage suit for him, and by the time his case went to trial the paralysis had returned. Organic disorders may also be brought on in persons of this type in a similar way.

Three Suggestions Offered

Dr. Gill said that the companies are "up against it" in most cases of this sort. He had only three suggestions to offer. The first was to avoid as far as possible any statement by a physician tending to give an exaggerated idea of injury. It was admitted, however, that it is difficult to keep a man from consulting his own physician in cases of this kind. The second was to avoid overtreatment and the third to settle as soon as possible. The longer a case of this kind runs, the more firmly the belief in his disability is implanted in a man's mind.

Clendon Surety Manager for the Federal Surety

P. J. Berry, vice-president and general manager of the Federal Surety of Davenport, who resigned recently as vice-president of the General Casualty & Surety of Detroit to take that position, has appointed E. M. Clendon as surety manager of the Federal. Mr. Clendon was formerly in charge of the surety department of the General, which company has discontinued the writing of new surety business. C. V. Carlson, who succeeds Mr. Berry in charge of the agency department of the General, was formerly assistant superintendent of agents.

Grainger With Public

A. J. Grainger, who resigned as manager of the Philadelphia office of the Independence Indemnity, will Jan. 1 associate with the Public Indemnity at its chief office in Newark.

Ferguson Is Manager

Maj. J. H. Ferguson has been appointed manager of the Philadelphia office of the Independence Indemnity, succeeding A. J. Grainger, resigned.

The Fireman's Fund Indemnity has been licensed in Ohio.

New President



HARRY H. WADSWORTH

Harry H. Wadsworth of Syracuse, N.Y., member of the firm of Wadsworth & Olmstead, who becomes the new president of the Insurance Federation of America, started in the insurance business 26 years ago. He was originally general agent for the New Amsterdam Casualty and then with the Massachusetts Bonding as general agent. He formed a partnership with B. E. Watson in 1914. On the death of the latter in 1921, the firm of Wadsworth & Olmstead was organized. This firm has supervision over 19 counties for the Aetna Life affiliated companies. Mr. Wadsworth has always been very much interested in the New York Insurance Federation having served on the executive committee for a number of years. He is a well informed man in every way.

Commission Backs State

LINCOLN, NEB., Dec. 17.—The state railway commission has intervened in the litigation in supreme court involving the constitutionality of the law requiring taxicab drivers of high and low degree to either give surety bonds, take out liability insurance or put up securities in amounts to be fixed by the commission. The latter takes the ground that the state has the right to require security of common carriers using its highways in order to protect other users, and that, as the constitution gives the commission legislative and judicial powers along with executive, the legislature violated no part of the constitution when it delegated to it the power to fix the amount of that security. It also insists that the law does not add any civil or criminal liability to common carriers, as they are now liable for negligent acts, and that without this law it could require bonds or policies.

Federation Gets Clubs' Support

MINNEAPOLIS, Dec. 17.—The Insurance Federation of Minnesota is cooperating with the Minnesota, the Minneapolis and St. Paul automobile clubs and with other organizations in the drafting of a measure which will curb the careless auto driver and make him assume the financial responsibility for damages or have his license revoked.

Officials of the auto clubs are fairly well agreed that a compulsory insurance proposal, which is opposed by the insurance federation, would not bring about a solution of the problem. F. W. Zollman, president of the St. Paul club and chairman of the legislative committee of the state organization, has expressed his opposition against compulsory insurance.

The Fireman's Fund Indemnity has received its license in Arizona.

Clearing House Plan Rejected

Officials Oppose Launching Depository Bond Project at This Time

MANY BENEFITS CLAIMED

Proposal Considered Intermittently for Several Years Again Tabled at New York Meeting

NEW YORK, Dec. 17.—Nervousness of surety men over depository bonds, in the last few weeks, while many southern banks have failed or at least closed temporarily, has been intensified through the recent failure of several Connecticut banks. There is said to be urgent need for reduction of liability and new offerings are difficult to place, even when they are of exceptional character.

Some managers have become greatly alarmed, seeing only incurred losses, and without giving proper thought to salvage that will undoubtedly be possible. Meantime the demand for depository bond cover is growing to a point previously unknown. Offices which have remained calm and are carefully culling offerings are securing a good volume of choice business. The main difficulty appears to be that of inducing associated companies to carry a proper percentage of large lines.

Consider Clearing House

Formation of a clearing house to write these bonds, considered by surety men in the last year or so, was again discussed at a conference of company officials here Dec. 12. No favorable action was taken as majority opinion was that this is not the time for such a project. Those who favor the plan argue that it is in just such periods as the present that this clearing house would best function.

The thought is not to form a pooling arrangement such as exists among fire insurance companies for writing grain and oil risks, under which member offices pledge acceptance of given percentages of every line written by the organization, but rather to list with a central authority, either the Towner Rating Bureau or the Surety Association of America, lines upon which co-operation is desired.

Would Expedite Insurance

Thus if a company were offered a million dollar depository bond and could write directly or with the aid of its treaty connections only a quarter of that amount, it would advise the central body and the latter would ask all listed offices to participate. Thus the direct writing company would be saved the time and effort necessary to address each office individually, and issuance of the bond would be expedited.

Officials opposed to the proposal state that one of its effects would be to tie the hands of agents in a community, who might otherwise be in position to get a portion of the line direct. The counter to this is that general cooperation would be sought only on business already secured by local agent.

School Districts Are Liable

Attorney General Brucker of Michigan has delivered an opinion that school districts in the state which accept fares for the transportation of students are liable for injuries caused by the negligent operation of buses. When no fare is paid, however, the school district is not liable.

National Union Dissolves Branch; Plants With Huncke

The National Union Indemnity, heretofore operated in Chicago under Manager G. C. Wigert, will be represented in Cook County after Jan. 1 by the general agency of O. W. Huncke, Cunningham & Co., according to arrangements completed in Chicago Tuesday by Vice-President E. Ellsworth Cole. Mr. Wigert retired recently from the National Union.

Except for the inland marine and claims departments, the Chicago branch office of the National Union and the National Union Indemnity has been dissolved. Those departments are being continued under C. E. Eberth, adjuster, but smaller quarters have been reserved in space adjacent to the O. W. Huncke, Cunningham agency in the Insurance Exchange building.

Several weeks ago the Cook County department of the National Union for fire and automobile was transferred to Moore, Case, Lyman & Hubbard.

Transfer Marine Special

W. L. Chase, formerly located at Omaha for the North America, has gone to Louisville as state agent for the marine department of the group in Kentucky. His office will be at 1172 Starks building, with J. E. Chittenden, fire state agent North America.

Form Washington Mutual

The Washington Mutual Casualty of Washington, D. C., has been formed to write fire, lightning, sprinkler leakage, cyclone, tornado, hail and windstorm, steam boiler, engine, fly-wheel, glass, use and occupancy, automobile fire, theft, explosion, transportation, collision and property damage, and automobile liability of all kinds, burglary, theft and forgery.

With the accession of T. L. Lawrence as a vice-president of the International Reinsurance, the official staff of the organization, President Hansen feels, will be materially strengthened. Mr. Lawrence is a lawyer of high repute and possesses an intimate knowledge of casualty and surety underwriting. He served as chief examiner of insurance companies for the Treasury department of the United States for the past eight years, and by virtue of the connection gained a thorough insight into underwriting affairs, and a close acquaintance with insurance commissioners and other state officials.

Following graduation from George Washington University, Mr. Lawrence

Goes Far West



T. L. LAWRENCE

was admitted to practice in the courts of the District of Columbia and Virginia. While a student he collaborated with Professor Arnold in the preparation of "Law of Suretyship and Guaranty," a work regarded as standard by surety underwriters.

Hurlbutt Toledo Manager

G. A. Hurlbutt has been appointed manager of the Toledo, O., branch of the American Surety and New York Casualty. A graduate of the Colorado School of Mines, Mr. Hurlbutt entered the service of the American Surety as a special agent in its Denver branch five years ago, four years later being advanced to assistant manager of the Detroit office. He is one of the youngest of the branch managers of the American and the New York Casualty.

Deming Goes to Chicago

R. L. Deming, inspector in the safety engineering department of the American Surety and New York Indemnity at New York, has been transferred to the Chicago branch under Manager J. L. Maehle with the same title and duties. He received his training in the Massachusetts Institute of Technology.

Held for Selling Without License

MADISON, Dec. 17.—Charged with selling insurance without a license and for a company not licensed in Wisconsin, G. W. Matheson of Evanston, Ill., was arrested at Blanchardville on complaint of Commissioner Freedy. Matheson was representing the Physicians Protective Casualty of Chicago.

D. St. C. Moorhead in Chicago

D. St. C. Moorhead, secretary United States Casualty, is in Chicago this week conferring with Eldredge, Carolan, Graham & Cleary, Chicago general agents for the company, on important company business.

Policyholders of Mutual Face \$207,951 Assessment

BOSTON, Dec. 17.—A. R. Shrigley, receiver of the Bristol Mutual Liability, organized soon after the compulsory law went into effect, has asked the court for authority to levy an assessment of \$207,951 on policyholders to settle claims against the company.

A hearing, on petition of Commissioner M. L. Brown, is being held here today at the request of the receiver.

SAY ST. PAUL-MERCURY SCHEME MAY COLLAPSE

NEW YORK, Dec. 17.—Upon excellent authority THE NATIONAL UNDERWRITER has it that the special blanket bond proposition made by the St. Paul-Mercury Indemnity to the banks of Minnesota and the Dakotas a short time ago, will not be consummated. The matter considerably agitated surety company officials as well as the agency fraternity generally. The latter saw in the move a distinct challenge of the non-overhead writing feature of the platform of the National Association of American Agents. Hence the general satisfaction that will be felt over the abandonment of the plan.

A. L. Johnston in West

President A. L. Johnston of the Public Indemnity is now on the Pacific Coast on an inspection trip and is expected in Chicago next week. Vice-president G. W. Powell was in Chicago and has returned to the home office.

Club Holds Christmas Party

T. J. Grahame, president of Casualty & Surety Club of New York, will preside at the Christmas party in New York City Thursday evening. These gatherings are highly enjoyable.



*A Merry Christmas and Happy New Year
is the sincere wish of the
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44 BRANCH OFFICES

OVER 18,000 REPRESENTATIVES



FIDELITY AND SURETY BONDS

CASUALTY INSURANCE

CHANGES IN CASUALTY FIELD

To Open Los Angeles Branch

**President Reid Visits Coast to Arrange
for Globe Indemnity Change—F. R.
Robinson Is Manager**

LOS ANGELES, Dec. 17.—The Globe Indemnity will open an independent branch office in Los Angeles Jan. 1, in charge of F. R. Robinson as manager. Arrangements for this step were made personally by President A. Duncan Reid, who was in Los Angeles to supervise the details. This branch office will succeed the general agency of Wheeler Brothers & Pierce, which has represented the Globe Indemnity in this territory for more than 15 years.

The entire personnel of Wheeler Brothers & Pierce will be taken over by the branch office, which will be established in the Van Nuys building, in the same location formerly occupied by Wheeler Brothers & Pierce. Mr. Robinson was with Wheeler Brothers & Pierce for eight years and prior to that time was a member of the home office staff of the Globe Indemnity.

T. B. Wood With Constitution

T. B. Wood, who has been manager of the Philadelphia office of the Employers Liability, has been appointed secretary for the Middle Department of the Constitution Indemnity. He will have charge for all business of the company in Pennsylvania, southern New Jersey, Delaware, District of Columbia and Maryland.

Mr. Wood is well acquainted with his territory, having served in the Middle Department office of the Employers Liability for several years.

Childs Becomes General Agent

R. C. Childs has resigned as assistant manager at Los Angeles for the Lloyds Casualty group and will enter the general agency business, with offices in the Commercial Exchange building, representing the Detroit Fidelity & Surety.

F. S. Schmalle Resigns

F. S. Schmalle has resigned as associate manager of the Los Angeles branch office of the Southern Surety and Home Indemnity, effective Jan. 31.

Johnson With Glens Falls

H. V. Johnson, who has had 15 years' experience in the insurance field, has been appointed special agent in central and southern Indiana for the Glens Falls Indemnity and Commerce Casualty. His headquarters will be at 1310 Merchants Bank building, Indianapolis.

New General Agents

Ledbetter & Page of New Orleans have been appointed general agents for the Massachusetts Bonding for all of Louisiana except Lake Charles. The Hollins Insurance Agency is to represent the Massachusetts Bonding at Lake Charles. The Massachusetts Bonding has also appointed Loenthal Brothers general agents at Nashville, Tenn. The appointments were made by Spencer Welton, vice-president.

Hagus with United Pacific

Andrew Hagus, well known casualty special agent, will cover northern California for the United Pacific Casualty of Seattle and act as assistant to J. I. Fisher, recently appointed California state manager. The company has not yet received its license to operate in the state, but this authority is anticipated during the coming week.

Ferguson to Cleveland

DENVER, Dec. 17.—Donald Ferguson, inspector for the American Surety

Joins Joyce & Co.



HARRY T. HUFF

Harry T. Huff, vice-president of the National Surety in charge of its fidelity department at the home office, has resigned to become vice-president of Joyce & Co., general agents of the company in Chicago.

Mr. Huff will acquire a substantial stock interest in Joyce & Co. and will be directly in charge of the production activities of this agency. He brings with him many years of experience in the insurance and surety business and is a proved manager and producer.

in its western territory with headquarters here for several years, has been transferred to Cleveland where he will become claim manager with jurisdiction over Cleveland, Columbus and Toledo offices. He will be succeeded here by Fred Oster, formerly of Los Angeles.

Wells With Metropolitan

H. J. Jeffrey, Detroit branch manager of the Metropolitan Casualty, has appointed J. L. Wells special agent for Michigan outside of Wayne county. Mr. Wells was formerly with a large general agency in Florida.

Fidelity-Surety Activities

National Surety Wins Suit

Not Liable Under Blanket Bond for Securities with Which Consignee Absconded

The National Surety is victor in the appellate court of New York in a case in which a firm of brokers attempted to collect under a broker's blanket bond for securities with which the consignee had absconded after they were delivered to him. Hanson & Hanson were the brokers. The blanket bond covered loss by larceny from the custody of the broker's messenger, while the securities were in transit.

The brokers contended that the securities must be considered in transit until payment has been made by the consignee. The opinion of the court was that there was a deliberate surrender of possession of the securities at their

destination, and accordingly under the expressed terms of the bond, the risk of the defendant was at an end.

This ruling is believed to be important in view of the fact that a number of actions are pending against various surety companies to recover for the loss of securities delivered by brokers to the vendees and not paid for because of the bankruptcy or absconding of the vendee immediately after the receipt of the securities.

Grand Central's Bonds Are Not Welcome in Cleveland

The court of appeals in Cleveland has affirmed the decision of the Cleveland municipal court prohibiting the Grand Central Surety of New York from posting bonds on the ground that the company had three forfeited bonds outstanding that had not been paid. The decision came in the form of demand of the bonding company's mandamus action to force the municipal court clerk to accept its bonds.

Chief Justice Dempsey of the appellate court mentioned that complaints against the Grand Central Surety had been made in Chicago.

Bond Issues Open New Field of Contract Bond Business

BALTIMORE, Dec. 17.—In view of the favorable vote at the recent election on Nov. 4 on the issuance of \$450,000,000 of state bond issues, which is expected to cause a greater demand for contract bonds all over the country, a special bulletin has been sent out to branch offices of the United States Fidelity & Guaranty.

The unemployment situation has created a somewhat unusual situation, in that every means of taking care of the men out of work is being brought into action. Chief among the bond issues are: New Jersey \$100,000,000, Louisiana \$68,000,000; New York \$50,000,000; California \$10,000,000; Cleveland \$31,500,000.

The company suggests that as soon as agents become aware that such a bond issue has been passed in any state, county or city, they should immediately begin to lay lines to secure their share of the business. If agents are alert in keeping touch with the various projects in their territory the results for them are bound to be well worth while.

Talks on Embezzlements

JERSEY CITY, N. J., Dec. 17.—Dr. B. F. Battin, vice-president National Surety, who spoke on surety bonds and their protection to business before the Lions' Club here, estimated that \$6,000,000,000 is lost because of crime. He cited some prominent cases of embezzlement, explaining how the cases were brought to light and the criminals caught. He said the surety companies have lost much greater sums through embezzlements and other crimes the past year than in any other year, and that many embezzlements are going on now that may not be discovered for six months or a year.

Difficult Situation in Arkansas

LITTLE ROCK, ARK., Dec. 17.—Arkansas county officials, bankers and bonding company officials are slowly working out the difficult situation created by the series of bank suspensions, followed by failure of the Home Accident, Little Rock, which had qualified as surety on numerous bonds. Attorney-General Norwood in a public statement said counties would be required to comply with a 1929 law which requires an approved surety bond by any bank designated as a county depository. In some cases, however, counties are still operating under two-year depository contracts negotiated under a former law, and these may be continued in force by submission of a surety bond,

deposit of United States bonds as collateral or submission of a personal bond signed by five solvent, qualified sureties.

New Milwaukee Disturbance

MILWAUKEE, Dec. 17.—A demand for further probing of the writing of surety bonds by city officials on contractors doing public work has been made by H. O. Kent, former socialist alderman of Milwaukee, to the special investigating committee of the common council.

Mr. Kent has published an indictment against public officials allegedly profiting by surety bonds given by contractors doing city work. He cites the John Doe proceedings in Milwaukee which resulted in a denunciation of this practice by Judge George Page, and the proceedings in West Allis, a suburb of Milwaukee, against the Southern Surety.

Mr. Kent now demands that the names of those men who engaged in the surety bond deals be made public, and suggests that the guilty officials be investigated by the committee.

Big Construction Decrease

Construction contracts awarded in 37 states east of the Rocky Mountains in November totaling \$253,573,700 showed a decided decrease from the total in November, 1929, the F. W. Dodge Corporation announces. The corresponding figure last year was \$391,012,500. There was \$101,096,000 for new non-residential buildings, \$80,781,900 for residences and \$71,695,800 for public works and utilities. The new construction contracted for in the 11 months this year was set at \$4,275,598,600 as compared with \$5,437,922,400 for the corresponding period last year, or \$1,161,323,800 decrease, approximately 20 percent. November contracts in Chicago territory, including northern Illinois, Indiana, Iowa and southeastern Wisconsin total \$29,746,000 as against \$33,409,600 in October and \$44,196,300 in November, 1929.

Talks on Surety Bonds

ST. PAUL, Dec. 17.—Judge P. J. Nelson who is associated with the Minneapolis office of the National Surety, addressed the Cooperative Club of St. Paul on "Surety Bonds." The fact that a public official or an employee of some private firm is required to furnish a bond does not reflect on his integrity, Judge Nelson said. The fact that a man is able to provide a bond is in itself a credential, he said.

Two Million Bond Written

LOS ANGELES, Dec. 17.—The Fidelity & Deposit's branch here has written a surety bond involving a contract of approximately \$2,000,000 in connection with the construction of a water distribution system for Phoenix, Ariz.

Los Angeles Officers Installed

LOS ANGELES, Dec. 17.—At the last meeting of the Surety Underwriters Association of Los Angeles the following officers were installed: President, H. E. Wood, vice-president and manager of the fidelity and surety department of the Pacific Indemnity; vice-president, D. W. Porter, Metropolitan Casualty, and secretary-treasurer, Don M. Ladd, Fidelity & Deposit.

Conduct of Defense

The garnishee casualty company insured defendant for \$5,000 against loss resulting from her ownership or use of an automobile. The company settled a claim of plaintiff's wife for injuries in a collision, for \$5,000. Suit was then brought by plaintiff, and the insurer assumed the defense. It made no claim that it was not liable for the items of damages, if proved, until after judgment in favor of plaintiff was rendered for \$4,041.57. Held that by its acts and omissions and its assumption and control of the trial, the insurer made itself liable for the damages proved. Oehme v. Johnson. (Sup. Ct. Minn.)



End of Detour

A business depression such as we all have experienced during the past months is like a rough detour—the relief felt at meeting the paved highway again is such as to make us forget the discomfort of the past few miles.

The Universal Automobile Insurance Company has been indeed fortunate during the rough travel of that time. Our position at the end of this business depression is enviable and is to be attributed to the splendid support of our agents.

The best of the year is here. The Good Fortune that has attended us and our agents so far will continue, for Good Fortune and Success favor those who are vigilant yet aggressive. 'Tis the end of the detour, let's step on the gas!

UNIVERSAL
A WORLD OF PROTECTION
AUTOMOBILE INSURANCE COMPANY
A SPECIALIZED SERVICE

DALLAS, TEXAS

EDWARD T. HARRISON
PRESIDENT

Extraordinary Opportunity

for the man who has had a successful record of accomplishment in agency and sales work to open

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Massachusetts Accident Company

America's Oldest Accident & Health Company

WE SPECIALIZE IN
NON-CANCEL-
ABLE DISABILITY
Income Protection on
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waiting period basis
with 12 month and un-
limited partial disability
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Please address
Victor R. Weston, Vice-President

MASSACHUSETTS ACCIDENT COMPANY

87 Kilby Street
BOSTON, MASSACHUSETTS

NEWS OF THE COMPANIES

Detroit F. & S. Cuts Capital

Being Reduced From \$2,000,000 to \$1,000,000 and the Difference Transferred to Surplus

The Detroit Fidelity & Surety is reducing its capital from \$2,000,000 to \$1,000,000 and transferring that amount to surplus. The company was originally promoted as an outgrowth of the old Michigan Bonding which specialized in saloon keepers' excise bonds. As the Michigan law provided that those bonds be written in a Michigan company and the Michigan Bonding was the only Michigan company it had a monopoly.

When the Detroit Fidelity was organized its \$2,000,000 of stock was sold at two for one, on which however a commission of 17½ percent was paid for promotion so that the company really had about \$3,300,000 to go on. It had several pretty good years and paid dividends for six years prior to 1929 but last year its surplus dropped about \$600,000 and the management cast about for a consolidation. The deal nearly went through with the Southern Surety but was dropped when that company was taken over by the Home; the Associated Life Companies, the holding company of the Rogers Caldwell & Co. group, was interested at one time but that fell through due to the difficulties of Caldwell & Co.; the Continental Casualty of Chicago was interested at one time, and the deal was finally made with the holding company which has also taken over the Lloyds Casualty and the Federal Surety of Davenport, headed by Frank Coen of New York.

Detroit Group Gets Control

In the meantime a number of the more active directors of the Detroit had purchased considerable quantities of the stock which had been sold throughout Michigan at \$100 per share at, it is understood, around \$50 per share, or par, and were in position to deliver control.

It is this stock by which the deal with the New York holding company was made. The other stockholders are being offered an exchange of stock for their Detroit holdings and a recent circular which went out urged stockholders to deposit their stock at once in order to come in on the dividend which will shortly be declared.

The Lloyds Casualty is said to have written about \$6,000,000 in premiums this year. Last year it wrote \$2,239,441 and the year before \$780,563. As a purely plate glass company it used to write about a million a year but the plate glass business has fallen off considerably. In 1929 its loss ratio to earned premiums was 51.3 percent and its expense rate 56.5 percent.

Will Operate Separately

The Detroit Fidelity & Surety had \$1,346,459 in fidelity and surety premiums in 1929 but this will be somewhat reduced this year, in common with most surety companies. The Lloyds had last year about \$200,000 in fidelity and surety and the Federal Surety, the other company of the group, has about \$400,000 fidelity and surety premiums so that there are about \$2,000,000 fidelity and surety premiums in the group. The statement is made that the three companies will continue to operate their separate plants but that economies will be effected wherever possible by reason of group control.

The Detroit Fidelity & Surety will start writing the general casualty lines after January 1 and the forms and blanks are now being printed.

The general stockholders of the Detroit are not being offered cash for their holdings, but an exchange of stock which figures out on the present market basis something like \$26 per share.

Consolidated Not Affected

Troubles of Bank of the United States Will Not Hit the Company

NEW YORK, Dec. 17.—The troubles of the Bank of the United States will in nowise affect the Consolidated Indemnity of this city, according to an official of the latter corporation. It is probable that President J. F. B. Gilchrist of the Consolidated will issue a general statement upon the matter within a few days. G. Stanley Mitchell, chairman of the board of the bank, and B. K. Marcus, its president, are directors of the indemnity company, and were prominent in its organization. For that reason there has been considerable speculation in the underwriting fraternity, as to what effect, if any, the difficulties in which the financial institution became involved affected the Consolidated Indemnity.

Federal Life & Casualty Takes Over Business

The Federal Life & Casualty of Detroit, which recently took over the accident and health business of the Eastern Casualty of Boston has also reinsurance the industrial accident and health business of the Bankers Indemnity of Newark, with the exception of 14 agencies which the Bankers Indemnity retained.

Manager W. W. Schanck of the industrial department of the Bankers Indemnity goes with the Federal at its home office in Detroit.

The Bankers Indemnity is reinsuring in the Federal about \$100,000 in monthly payment and limited business. Mr. Schanck will have the title of agency superintendent and will give particular attention to the limited department.

The insurance of the Eastern Casualty and the industrial business of the Bankers will give the company well over a million of accident and health premiums. It also proposes to build its life department, which is just getting started.

The old Eastern Casualty business has now been transferred to the home office in Detroit. H. S. Bean, who owned the controlling interest in the Eastern following the death of President Corwin McDowell, has now retired from the business. Putnam McDowell, son of the former president, is now in charge of the Federal's Massachusetts district office in the Park Square building, Boston. W. W. Morse, former vice-president of the Eastern, becomes a vice-president of the Federal with headquarters at Portland, Me., and has charge of Maine and New Hampshire. L. E. and G. M. Bennett become resident vice-presidents of the Federal for Vermont, at Burlington.

Mutual's Statement

The Illinois Manufacturers Mutual Casualty of Chicago has issued a certified statement as of Sept. 30 this year showing admitted assets \$1,320,744, voluntary reserves increased to \$38,927, and cash surplus \$406,959. The mutual had \$71,176 cash in bank, \$92,165 premiums in course of collection less than 90 days old. It had \$553,000 required claim reserves, \$37,188 expense reserve, \$283,505 unearned premium reserve.

Holtz Leaves Mutual Post

O. C. Holtz has resigned as secretary and general manager of the Builders & Manufacturers Mutual Casualty of Chicago. He is succeeded temporarily by H. L. Carter, who has been manager of the claims department. The company, which has been specializing in compensation, recently started writing automobile risks.

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CASUALTY PERSONALS

Mrs. F. Robertson Jones, wife of the manager of the Association of Casualty & Surety Executives, has been in the news lately because of her efforts to get a report on birth control from President Hoover's Conference on Child Health & Protection. Mrs. Jones is a leading birth control advocate and is president of the American Birth Control League. She was unable to get the conference to take a position on the issue.

Harvey L. Jones, vice-president New York Casualty, who has been in seriously ill health for the past three and a half years, is now on the road to recovery. Mr. Jones has undergone operations. Some weeks ago he was laid up for further repairs but is now getting down to his office every day for awhile.

P. H. Crane, superintendent of agents State Farm Mutual Automobile and State Farm Life, of Bloomington, Ill., died at the age of 46 after an illness of five weeks.

Mr. Crane was a widely known authority on live stock, having been assistant professor of animal husbandry of Purdue University; live stock editor of "Hoard's Dairyman"; proprietor of the Crane dairy farm near Lebanon, Ind.; trustee of Purdue University, and for seven years secretary-treasurer of the Indiana Farm Bureau Federation.

In announcing the additions to the home office personnel of the **Central Surety** of Kansas City, it should be stated that the underwriting operations continue to be centralized as a department under the efficient direction of Miss O. Witham, who has been the active head since organization. Miss Witham is not only a keen analyst of the business but she has a wide knowl-

edge of underwriting and possesses excellent judgment. The underwriting policy is fixed by President Hudson. He believes in the centralization of responsibility and therefore makes a department head supreme. The Central Surety organization is very compact and functions successfully.

An article discussing direct mail promotion by **C. E. Rickerd**, advertising manager Standard Accident, is to appear in the January issue of "The Artist and Advertiser."

H. N. Douglass, associate Chicago manager Union Indemnity, addressed a meeting of the Associated General Contractors of Missouri at Kansas City Saturday on workmen's compensation.

W. M. Smith, vice-president Aetna Casualty, has been elected a director of the Bureau of Contract Information of Washington, D. C. The bureau was formed about a year ago by the cooperative efforts of the Associated General Contractors and several of the leading surety companies writing contract bonds. The purpose of the organization is to help in the elimination of irresponsible contractors.

A witty exchange of telegrams occurred between President **H. A. Behrens** of the Continental Casualty and **Joe Crider, Jr.**, prominent Los Angeles insurance attorney, incidental to the University of Southern California and Notre Dame game. The first telegram was from Mr. Crider. "ATTENTION BEHRENS OR CORNELIUS OR TUCHBREITER OR ANY BRAVE AND RESPONSIBLE BOY STOP YOU CAN HAVE ANY PART OF 250 EVEN MONEY IF TIE BET DECLARED OFF STOP I LIKE U.S.C.

WIRE MY OFFICE BEFORE TWO O'CLOCK. LAUGH THAT OFF. REGARDS."

The next telegram was signed by Mr. Behrens. "DON'T BE FUNNY," it read. "WE DON'T BET AGAINST OUR FRIENDS STOP IF SOUTHERN CALIFORNIA PLAYS AS WELL AS IT TALKS WE WILL HAVE MONEY TO SPEND FOR CHRISTMAS REGARDS."

The final telegram was from Mr. Crider. "TODAY'S LESSON THE MEEK SHALL INHERIT THE EARTH," Mr. Crider wired after the game.

H. J. Linn, formerly southeastern manager for the Southern Surety, who opened the Chicago office for the Southern Surety and Home Indemnity, is conferring with officials in the east. He will spend the holidays at his home in Atlanta.

H. E. L. Beyer, who was New Jersey state superintendent of the forgery bond department of the National Surety for ten years and who is now New Jersey manager of the General Indemnity, with headquarters in Newark, has been presented with a handsome onyx desk set, the gift of his former associates at the Newark office of the National Surety.

T. E. Hanlon, general agent of the Employers Liability at Cincinnati, has been elected a director of the First National Bank, one of the city's largest banks.

W. R. Wills, vice-president National Life & Accident, and A. M. Wills, his brother, have contributed \$100,000 for erection of the Haywood Memorial Hospital, Brownsville, Tenn., which will be dedicated Dec. 30 in memory of their parents, Dr. and Mrs. W. T. Wills, pioneers of Haywood county. W. R. Wills at one time was deputy insurance commissioner of Tennessee, and then went

to Bristol, Va., as treasurer of the Virginia Coal, Iron & Railway Co. He returned to Nashville as an officer of the National Life & Accident.

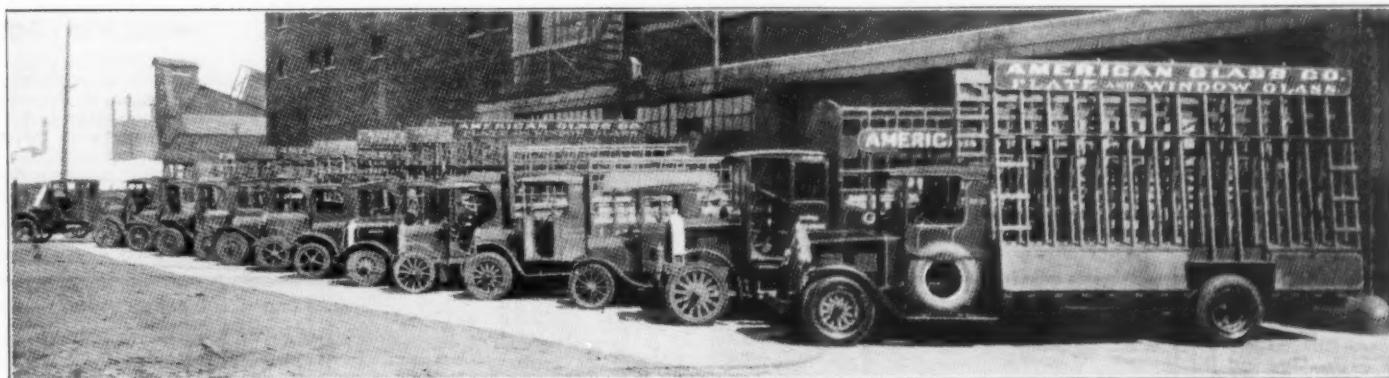
President J. A. Gunn of the Employers Mutual Casualty of Des Moines, who attends the meetings of the insurance commissioners every once in a while, is frequently taken for Insurance Commissioner Fishback of Washington. Mr. Gunn is massive in physical appearance and in a way resembles the Washington commissioner.

F. J. O'Neill, president of the Royal Indemnity, has been visiting in Chicago this week.

Can't Mention Insurance

In an action for damages in an automobile accident counsel for plaintiff inquired of the jurors if they were stockholders in the Standard Accident. The court of appeals of New Jersey held that this was error on which a mistrial should have been granted. The court said: "To propound to the jurors a question as to their stockholdings in the insurance company named could have had but one purpose in effect, namely, to prejudice the jurors against the defendant. It would at once instill in their minds the thought that the defendant would ultimately not be called upon to pay any verdict that the jury might render, but that this burden would fall upon an insurance company which had been paid to take the risk. The prejudicial effects of such an impression are obvious and can scarcely be magnified." The decision was in the cases of Patterson vs. Surplus and Patterson vs. Milner.

The Michigan branch of the **National Bureau of Casualty & Surety Underwriters** has moved from the Dime Bank building, Detroit, to new and larger quarters at 1736 Union Guardian building. A. S. Cowlin is manager.



Never Failing - - -

The fleet of trucks shown and their crews especially adapted and capable of performing rapid and efficient service have *never failed* to provide prompt plate glass replacements.

Two hour service is not at all unusual with this company which is foremost in the Chicago plate glass replacement field.

Only unfailing plate glass replacements keep Plate Glass Insurance sold. Think of the better service offered by the American Glass Company when plate glass replacements are needed.

AMERICAN GLASS COMPANY

1030-42 N. BRANCH ST. CHICAGO, ILL.

Call Mohawk 1100

Crucial Times for Insurance

(CONTINUED FROM PAGE 4)

Missouri refund is large. All together the Missouri litigation and its attendant expense together with the refund and the continued litigation are all tending to make the outlook more discouraging.

Difficult to Plant Companies

Companies with large fleets agree that it is very difficult to plant the newer ones. All sorts of devices are being invented to stimulate the production of the so-called "pups." As a matter of fact agencies are overloaded with companies at this time. There is an oversupply of capital in the business. A couple of years ago a company desiring to sell out would find many bidders because at that time there was a tendency to augment the fleets still more. Very few, so far as big fleets are concerned, would be willing to take on another appendage now. There are too many mouths to feed already from the same table.

Some Companies Being Combined

Companies with fleets are finding it difficult to get sufficient business to justify their existence. In some cases companies in fleets are being combined to lessen the number and to make stronger single units. It would be difficult today to sell a company outright to any of the recognized fleet aggregations. They are already overloaded. The only market therefore would be reinsurance. Even in a case of this kind where companies are obliged to sell, the established institutions would hesitate quite a bit because they would feel that the plant they were buying would not be worth very much. This is due entirely to the fact that companies of this type found it necessary or at least they felt it so, to pay excess commissions, use high pressure methods, be ultra-liberal in their treatment of agents, etc. The business thus secured is not at all desirable. Therefore a company in reinsuring business of this kind could only hope for profit on the run-off.

Rate Increase on Unprofitable Classes

It is the most difficult thing in the world to boost rates even when there is the strongest kind of justification. It is mighty easy to reduce them. In many cases the reduction brings no gratitude on the part of the public. Executives who are thinking over the question very carefully say that there should be an early review of the loss experience and rates should be increased on those classes where there is a deficit shown.

Now the insurance business sees the return of the underwriting executive to

his proper position. The bankers and the frenzied financiers have had their day. Any fire insurance company that shows a continued loss on its underwriting operations has something radically wrong inside of it. Insurance companies are in the business to insure. The banking department it is true, is important, but it is not the primary organ of an insurance company. The investment side and the opportunities in a bull stock market unfortunately have left the impression that companies can show sharp underwriting losses which will be more than made up by the stock market operations. That day, for the time being at least, is gone. The underwriter has come into his own.

Inland Marine Association Is Launched—149 Members

(CONTINUED FROM PAGE 8)

sions to be paid are 20 percent on personal effects, tourists' floaters, personal furs and parcel post business; 15 percent on personal jewelry and furs under jewelry covers, and 10 percent of jewelers' block policies.

The formation of the Inland Marine Underwriters Association was tentatively determined upon some months ago, its formal launching being predicated upon securing pledges to the movement from all important companies transacting such business. Such guarantees have now been had. It will probably be March 1, however, before the policies, forms, rates and rules of the member companies become fully operative, time being required for their printing and promulgation.

Companies That Have Joined

William R. Hedge, president of the Boston, is also a vice-president, and ex-officio, a member of the executive committee. The groups that have pledged allegiance to the new organization for their respective companies include the Aetna Fire, Aetna Life, America Fore; Appleton & Cox, Glens Falls, Globe & Rutgers, Great American, Hartford, Home, North America, North British & Mercantile, Northern of London, Phoenix of Hartford, Phoenix of London, Platt, Fuller & Co., Providence Washington, Rhode Island, Liverpool & London & Globe, London & Lancashire, Marine Office of America, W. H. McGee, National Fire, National Union, New Hampshire, Royal, St. Paul, Springfield and the Svea.

In addition these companies have joined the movement individually: Camden, Century, Fidelity & Guaranty, Queen, New York Underwriters and the Travelers Fire.

More Publicity On Examinations

(CONTINUED FROM PAGE 3)

sioner Dorr of Nebraska in presenting three bills for consideration dealing with this subject. All commissioners are confronted with companies that are licensed in their home states, and do business in other states by mail, through advertising or the radio. Commissioners have endeavored in every way to check this practice but to no avail as the United States Supreme Court has held that doing business through the mail in this way does not constitute an insurance business in the sense that it is illegal and the companies have a right to use the mails to solicit business in states where they are not licensed. Many commissioners use publicity methods warning the public against dealing with such companies inasmuch as they are not licensed and their contracts can not be enforced in the state. Some commissioners have arrested anyone connected with such companies appearing in the state doing anything in the way of insurance business.

Argument as to Constitutionality

The main argument arose over constitutionality of the bills that Mr. Dorr was presenting. He contended that at present commissioners had no authority over companies doing business by mail in states where they were not licensed. There is no way to get at them unless they commit a fraud of some sort and then they could be reached through the postoffice department. So long as they do business in a regular way and pay legitimate claims he said that commissioners could do nothing with them. He therefore prepared the bills stipulating conditions for license and providing for a resident agent for process of service.

The commissioners declared that they did not want to go into the subject unless they knew that the bills were constitutional. For instance, violations of the insurance laws were made criminal offenses in the Dorr scheme and therefore subjected officers to extradition. Representatives of the Minnesota Commercial Men's were present to argue the constitutionality of the proposed laws and had printed briefs to distribute to support their contentions. These attorneys attempted from time to time to get a hearing.

Go Into Committee of the Whole

The convention resolved itself into a committee of the whole to discuss the subject under the auspices of the committee of laws and legislation of which Judge Younger of Ohio was chairman. Some felt that the attorneys for the

Minnesota concern should be heard. Commissioner Livingston of Michigan objected to hearing anyone on the subject of unauthorized insurance in a session of that kind. He said that the commissioners represent only authorized insurance. Commissioner Livingston was very outspoken as to his attitude toward any concern that attempted to do business in his state without a license. Commissioner Caldwell of Tennessee was equally blunt in his remarks on the subject stating that he would have anyone arrested that came into Tennessee representing an unauthorized company.

Many Commissioners to Retire

At one point in the proceedings considerable amusement was aroused when someone suggested that the "Class of 1931," meaning the commissioners who go out of office following the inauguration of new governors in January arise. Commissioner Dunham of Connecticut stated that it would be more appropriate for such commissioners to fall. There will be a great decimation in the ranks as so many commissioners are affected politically by the recent election. Commissioner Wyson who is president of the National Convention of Insurance Commissioners has already resigned thus bringing Commissioner Read of Oklahoma to the chief office.

With such important issues before the commissioners it is generally regretted that so many of those older in service will be forced out of office by political exigencies. This is particularly true with the life insurance investigation proposed by Commissioner Livingston of Michigan.

No Place for Meeting Selected

No city or the time has been selected for the annual meeting. It was stated at the Hartford convention that there would be a movement to have the next convention in Portland, Ore. However, Commissioner Caldwell of Tennessee, secretary of the convention, stated that no city has extended an invitation to hold its annual meeting with the sanction of the insurance commissioner of the state in which it is located.

TAXICAB DRIVERS MUST MEET KENTUCKY LAW

Taxicab drivers in applying for 1931 automobile licenses in Kentucky must file insurance policies or certified copies showing compliance with the act of the legislature requiring them to carry personal liability and property damage insurance. Operators of vehicles on casual trips, that is, other than bus lines for hire, are required to carry \$5,000 liability and \$1,000 property damage insurance.

BATES ADJUSTMENT COMPANY

OKLAHOMA CITY, OKLAHOMA
W. S. Hanson, Manager

TULSA, OKLAHOMA
R. W. Murray, Manager

**WE now have branched into Casualty
Adjustments, retaining two Licensed
Attorneys on our staff who are specially
trained in Casualty and Compensation
Investigations and Adjustments.**

We have served the Fire Insurance Companies since 1897

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Wichita Agents Meeting Today

(CONTINUED FROM PAGE 5)

holders while the companies retained the other half.

L. C. Housel of the agency bearing his name is one of the most bitter against the companies. He has resigned his companies which are the Alliance, American Alliance, Automobile of Hartford, Commonwealth, Equitable Fire & Marine, Fidelity & Guaranty Fire, Franklin, Newark, Philadelphia Fire & Marine, Reliance, and Twin City.

J. Earl Wyatt of Salina, who operated a mixed agency, is reported to have resigned his Western Underwriters Association companies. They are the National Union and the New Haven Underwriters.

R. W. Oldroyd Letter

Company executives were much heartened by a letter from a Kansas agent to President Foote of the agents' organization, which has come to the attention of western managers. The agent is R. W. Oldroyd of Arkansas City, Kan.

"As a unit in the American Agency system," Mr. Oldroyd wrote, "and a member of the Kansas Association of Insurance Agents, I feel it is my duty to protest the action that has been taken by the officers of the Kansas association in their attempt to procure 100 percent of their impounded commissions from the companies.

"This insult to our good friends, the companies which we represent, had its inception within the Kansas association. The meeting which was called for Topeka a short time ago was announced to members of the Kansas association on association stationery and by its officers. We are informed that those who attended this meeting were cautioned that this was an individual affair and not an association matter.

Cannot Find Justification

"After thoughtful consideration we are unable to find one single thing that justifies a continuance of this demand on the companies. The Missouri case is most assuredly no criterion of Kansas' position, for the two are entirely dissimilar.

"This movement can result in but one thing and when this controversy is settled, Kansas agents, I fear, will be unfavorably classified by company officials and none of us will be spared. The American agency system cannot survive if we have resolved to continually insult the companies with affairs of this sort."

Bulletin from Foote

The bulletin from Mr. Foote declared that the Excelsior Springs conference of company executives and a committee of Kansas agents did not arrive at any settlement of the issue.

"The Excelsior Springs conference was somewhat in the nature of a farce," the bulletin states. "It proved to be simply a declaration on the part of the governing committee, that there was no possible chance of the companies conceding any more impounded commissions nor any interest on our money. Naturally our committee was deeply disappointed.

"Realizing the utter futility of further discussion we closed the so-called conference. At parting Mr. Street exclaimed that 'if September balances were paid our position would be stronger.'

"On the following afternoon the 4 Wichita members of our committee held a long conference and decided that for the best interests of all concerned, we would recommend the payment of September balances. This was not an easy thing to do for we realized our motives would be misconstrued; nevertheless we were thoroughly convinced it was the strategic move to make. We immediately informed several local boards in other cities by telephone concerning our conclusions.

"In the meantime the field men with-

out giving our committee time to properly present the situation to other agents, congregated in Salina and forced Salina agents to a quick show down, the result of which could mean nothing but disaster to the companies. This colossal error on their part is deeply regretted for it will have a far reaching effect over the state.

"The payment of September balances nowise changes the determination of agents to deduct from future remittances until this matter is properly recognized."

NATIONAL BUREAU NOW MOBILIZING CHICAGO DATA

NEW YORK, Dec. 17.—Attaches of the head office of the National Bureau of Casualty & Surety Underwriters are now assembling the data gleaned by General Manager Beha and a corps of assistants during a recent study of underwriting conditions in Chicago, in the course of which the records of all branch offices and many general agencies were probed. The material is to be treated as confidential, even from the member companies. The securing of this data is to afford Mr. Beha an intelligent basis for whatever later action

may be suggested in connection with bettering casualty and surety conditions.

NEW COMPENSATION RATES IN MAINE AND VERMONT

Both Maine and Vermont have approved the new compensation rates filed recently by the National Council on Compensation Insurance, these becoming effective for all carriers in both states Feb. 1. In Maine an expense constant of \$10 applicable to all risks was sanctioned, while in Vermont use of the same constant upon premiums up to \$300 each holds as in former years. The net effect of the revised rates in Maine will be an average reduction of approximately 4 percent, while the new Vermont rates will yield an overall reduction of 1½ percent.

Hough Is Honored

J. E. Hough, who was head of the claim department of the Newark branch of the Commercial Casualty and recently promoted to assistant claims manager at the home office, was tendered a dinner at Newark by his associates of the claim department. He was presented with a handsome traveling bag.

High Court Will Not Review the Sherman & Ellis Case

WASHINGTON, Dec. 17.—Whether an agreement whereby an insurance company took over the insurance business of a reciprocal and agreed to pay 10 percent of the net premiums collected, to the attorney-in-fact for 20 years, is against public policy, is the question involved in the case of Sherman & Ellis vs. Indiana Mutual Casualty et al, which the United States Supreme Court has declined to review.

Sherman & Ellis operated as attorney-in-fact for the Indiana Manufacturers' Reciprocal. It entered into a contract with the Indiana Mutual Casualty whereby the latter agreed to reinsure the subscribers of the reciprocal and agreed to pay to the attorney-in-fact 10 percent of the net premiums collected for 20 years. This was a suit brought by the attorney-in-fact.

Merge Pittsburgh Branches

The Pittsburgh branches of the Fidelity & Deposit and the American Bonding have been consolidated under J. E. Harlan, formerly manager for the F. & D. J. E. Quinn, former American Bonding manager, has resigned.

Cooperation at all times, regardless of effort involved



away, reaching there at 10:45 P. M. The material was checked in and loaded into the last car for New York. Our employees watched the material safely in the cars before going home.

The supplies arrived and were delivered to the new agency on Monday morning in time for them to open for business.

Such service, carried through every department of our organization, means much to any agency. It is evidence of Home Office understanding and appreciation of an agent's problems and of a willingness to cooperate with each and every agent at all times, regardless of time, effort and money involved.

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Continental Assurance Company**
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BIG ENOUGH FOR YOUR NEEDS—
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Inquire about our excellent agency proposition

Incorporated 1902 Assets over Four Million Dollars

Strenuous Life of Committee

(CONTINUED FROM PAGE 39)

were held resulting in a proposed amended report for the committee. The mutuals had taken the position that they would not interfere with the report, although Manager Gruhn of the American Mutual Alliance stated that he did not object to the revised report although he had no voice in it and wanted it understood that he was not attempting in any way to interfere. He contended that the committee should make its own report.

Returned to Original Report

On Wednesday morning the compensation committee held a prolonged executive session during which it was found that many members resented any outside interference and hence returned to the original report which the members again adopted with a few minor changes. This was submitted to the convention. The only voice raised in opposition was Commissioner Dunham of Connecticut, who declared that the commissioners should go slow in attempting to regulate the internal affairs of insurance organizations. He predicted that if the officials acted in this case they would soon find themselves taking a similar course in others. It was pointed out to Commissioner Dunham, however, that the convention had a different relationship to the National Council than any other body inasmuch as they had their own special representative, C. W. Hobbs, sitting as an onlooker and adviser, and who could vote in case of tie.

No Negative

When the report came up for adoption there was no negative vote. The commissioners evidently resented the action of the National Council and were not slow to make their sentiment known. The compensation committee did not pass on the merits of the amendments at all. In fact a number of commissioners expressed themselves privately as feeling the stock companies had a right to decide and determine their own expense loadings and also said they were entitled to a loading for profit. The feeling between the stock companies and mutuals in the council is tense and Commissioner Hobbs declared that when the two met their minds had been made up and it was a mere matter then of skirmishing for position.

ALL ARE MARKING TIME

NEW YORK, Dec. 17.—Following the adoption by the National Convention of Insurance Commissioners of a series of resolutions criticizing the action of the stock company members of the National Council on Compensation Insurance in pursuing a rate-making policy differing from that of their non-stock associates without first learning the attitude of the state officials, all parties to the controversy have been making time.

Issue Will Be Debated

That the issue will be warmly debated soon after the new year is taken for granted, though what the initial move will be and by whom made is a question. Commissioner Brown of Minnesota, as chairman of the committee on workmen's compensation of the National Convention it is understood, intends shortly appointing a sub-committee to make an intensive study of the existing situation, its findings to be reported to the full committee and by the latter to be referred with recommendations to the convention as a whole.

Two Camps Parted Company

In parting company from the non-stock carriers in the National Council, in so far as loadings upon the loss cost experience, once the latter had been determined from the records of all member offices the stock underwriters felt they were justified by the previous general attitude of the mutual men, and point out that the change was effected

Pick Washington for 1931 Meeting

(CONTINUED FROM PAGE 39)

rulings. Enclosed with each letter was a handsomely printed booklet telling what the conference stands for and what it is undertaking to do. The first of these letters was sent out less than three weeks ago.

Replies Generally Favorable

So far 21 replies have been received, most of them extremely cordial in their character. Only one department has refused to give out any information along the lines suggested. It is also planned to send out similar letters to the chairmen of legislative committees before which measures affecting accident and health insurance are likely to come up.

On the referendum vote being taken by the Chamber of Commerce of the United States on the question of government ownership of power facilities, the executive committee went on record as being against that idea.

Groves Talks on Training

At the luncheon session B. H. Groves, assistant manager of the Travelers in Chicago, gave a review of that company's methods in securing and training new agents, along much the same line as the talk which he gave recently before the Accident & Health Managers Club of Chicago.

The attendance at the meeting was so large that it developed into almost a mid-winter meeting of the conference. In addition to practically all of the officers and members of the executive committee, other company representatives to the number of more than 60, representing not only the middle western companies but several of those in the east and other sections, were on hand for the sessions.

in full conformity with the constitution of the National Council. The non-stock carriers for their part maintain that precipitate action was taken, and that decision on so important a matter should have been deferred until the position of the state commissioners could be learned.

Money Will Be Lost

The general understanding is that the stock companies will again lose money on their compensation writings this year. If the experience in New York be followed in degree by that in other states the loss will be a substantial one. For that reason the desire of the carriers to take and adopt any plan that promises relief is understandable and is not challenged by the commissioners. What the latter do criticize and sharply is the taking of radical action without affording the state officials full opportunity to investigate the merits of the proposition from every angle.

Problem of Great Importance

The problem is one of the most important with which the interests directly and indirectly concerned have had to deal for a long time and its satisfactory solution is possible only if approach be made in a spirit of give and take. The executive committee of the National Bureau of Casualty and Surety Underwriters will meet today (Wednesday) and the assumption is that the subject will be discussed, at least informally.

Casualty Notes

The General Casualty of Seattle has been licensed in the Province of Ontario for automobile and plate glass insurance.

Accidents at highway grade crossings in the first eight months according to returns filed by the railroads with the Interstate Commerce Commission, numbered 2,995, reduction of 573 over those in the same period last year. Fatalities resulting from such accidents totaled 1,286 compared with 1,504 in the same months of 1929. The number of persons injured to Aug. 31 this year was 3,393, as against 4,086 in the first eight months of 1929.

WORKMEN'S COMPENSATION

Ask 5.7 Percent Increase

New Schedule Higher Than Expected—Mistake Made in Estimating Probable Raise

ST. LOUIS, Dec. 17.—The workmen's compensation situation in Missouri has been further complicated by the filing of an entirely new proposed schedule of rates for 1931 by the National Council on Compensation Insurance. The new rates represent an average increase of 5.7 percent for the 700 classifications.

The first proposed schedule filed last month would have increased the Missouri rates about 11 percent. However, public reaction against this increase was so pronounced prominent insurance agents of St. Louis and Kansas City protested to their companies.

A delegation of the agents also visited Jefferson City to confer with Superintendent Thompson and after some long-distance conversations with New York it was announced that the companies would ask for only a return to the 1929 schedule of rates, or approximately 2.4 percent more than charged in 1930. However, it is now explained that the companies made a mistake in figuring that but 2.4 percent increase was needed for 1931 and the new schedule for a 5.7 percent raise is the result.

Superintendent Thompson will conduct public hearings at an early date to

determine the reasonableness of the new schedules. The companies have asked that the new rates take effect on Dec. 31, 1930.

To Insure Caddies

NEWARK, Dec. 17.—The New Jersey Golf Association has advised 80 affiliated golf clubs to take out compensation insurance as a protection against their caddies. This action was taken after the state department of labor had ruled golf clubs were responsible for caddies' injuries. Heretofore, the clubs have regarded the boys as the employees of the players alone. Boys under 14 are not insurable.

Workers Want Increase

TOPEKA, KAN., Dec. 17.—Representatives of Kansas industrial workers conferred with Commissioner Baker last week and submitted definite recommendations for changes in the workmen's compensation law. They recommended that compensation be increased from 60 to 66½ percent of the average weekly wage with consequent increases in payments for total disability and death. The removal of limits on hospital and medical expenses is also advocated. A committee has been named to submit the changes to the legislature.

J. J. James of Kansas City has been reappointed to the Missouri workmen's compensation commission.

ACCIDENT AND HEALTH FIELD

Health Conservation Is Urged

Dr. J. R. Neal Warns Against Neglecting "Danger Signals" in Address to Chicago Managers Club

The desirability of greater effort along health conservation lines by accident and health insurance interests, intended to keep people out of trouble instead of promising to pay them when they get in, was emphasized by Dr. J. R. Neal of the Abraham Lincoln Life, president of the Health & Accident Underwriters Conference, in an address to the Accident & Health Managers Club of Chicago Monday. He also gave the matter a personal appeal by advising the managers present not to neglect the "danger signals" in their own cases.

Cares for Car, Not for Himself

It is not unusual to hear a man say that he is "not in business for his health." Dr. Neal said that the results show this is evidently true in a literal sense. When there is a knock in a man's auto, he immediately takes steps to have it corrected, but does not take similar action when the trouble is with himself instead of his car. There is a general feeling that accident and illness is always going to happen to someone else. He traced the progress made the medical field as a result of which such diseases as yellow fever, malaria and typhoid fever are no longer menaces, and said that the great danger now is from the hurry and worry of modern life.

Several officials of the Health & Accident Conference in addition to Dr. Neal were present at the luncheon, including D. C. MacEwen, Pacific Mutual Life, chairman executive committee; P. H. Rogers, Massachusetts Bonding, secretary, and R. S. Hills of the same company, chairman of the manual committee. Officials of several of the Chicago companies were also in attendance.

The club voted favorably on the proposal for a joint meeting with the Casualty Field Club of Chicago in February.

General Agents Are Named

Continental Assurance Shifts Butler From Los Angeles to Denver—Neal and Reese Appointed

Three general agents have been appointed by the Continental Assurance of Chicago. A. A. Butler, who has been resident vice-president for the company at Los Angeles for about two years and before that was in various branches of the company for three years, becomes general agent of a second agency in Denver, his old home. He will have jurisdiction over the entire state. William West is the first general agent there, but, although he has a life contract, his interests are largely in general casualty, representing the Continental Casualty.

Mr. Butler started as branch office manager with the Continental. Formerly he was with the Pacific Mutual, his father having been one of the first agency executives of that company when it was known as the Conservative Life.

C. V. Neal, a general fire and casualty agent, has been appointed general agent for the Continental Assurance at Davenport, Ia. He formerly was general agent of the Bankers Reserve of Nebraska.

James R. Reese, a well known automobile distributor of Gary, Ind., has been appointed life general agent for the Continental there, the company entering that territory for the first time.

Boston Companies Merge

Loyal Protective Reinsures Ridgely Protective—Both Formerly Owned by Same Holding Company

BOSTON, Dec. 17.—The Loyal Protective has reinsured the Ridgely Protective, effective Dec. 31. The Massachusetts insurance department and



All Risks Fur Insurance

Rate \$2.00 per \$100-Minimum Premium \$8.00

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General Coverage Policy

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Head of claims department, for the past ten years, of one of the largest nationally known manufacturing companies, including various lines of manufacture throughout the United States, and two railroads, due to financial conditions, will be open for new position the first of the year. Understands all branches of compensation and public liability. University graduate. Address S-11, The National Underwriter.

WANTED: Special Agent's Position
With good company already entered or plant new company. Southern or Pacific Coast state. Fire and allied lines. Experience: 10 years with Chicago Western Dept. Large British Co. 6 years with LaSalle St. agency. 18 years Western Canada manager five American Cos. Also, competent to adjust all losses. H. H. Motley, Sanford, Fla.

Experienced Branch Manager

Well versed in casualty and surety lines desires position in Texas, Midwest or Pacific Coast States. Twelve years experience; six years as Special Agent, six years as Branch Manager. Have fine record as surety producer and underwriter. Now employed. Best personal and business references. Address Box S-15, The National Underwriter.

CASUALTY MANAGER DESIRES CONNECTION

With a progressive general agency or company. Eleven years experience in branch office and general agency organization and production. Services immediately available. An opportunity for doing constructive work is more desirable than a preference as to territory. Address S-10, The National Underwriter.

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Desires position as manager of service office, or an special agent of casualty and surety company. Six years experience. Single. Address S-19, The National Underwriter.

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All Lines but Stressing Excess Fire Reinsurance General Classifications

stockholders of both carriers have approved the deal.

Both companies specialize in accident and health insurance for Masons and Odd Fellows and since January, 1929, have been controlled by the National Protective Companies, a holding company. The stock is closely held, there being but six stockholders in each company. F. R. Parks is president of the Loyal and vice-president of the Ridgely and M. F. Heath is president of the Ridgely and vice-president of the Protective.

The merger has been effected for the purpose of greater efficiency and economy in operation.

The Ridgely Protective was started in 1894 as an assessment company but reorganized on a stock basis in December, 1907. It had, last Dec. 31, total admitted assets of \$721,363; \$200,000 capital and \$177,371 surplus.

The Loyal Protective Insurance Company started in 1909 as a successor to the Loyal Protective Association, reinsuring the business of the latter which was a mutual company. Its last statement shows admitted assets of \$896,427; \$100,000 capital and \$326,532 surplus.

Non-can Business Booms

Due to the fact that its non-cancellable accident and health rates increase on the average about 33 percent at the end of this year, the Continental Assurance has been experiencing a great influx of new premiums. In the first 11 days in December as much premiums were received on non-can as in any previous month this year. The company sees this as an illustration of the argument advanced many times this year that substantial business can be obtained by agents if they work hard enough and have the proper inducements to offer clients.

Issues New Non-Can Form

The Great Northern Life is issuing a new non-cancellable income policy, known as the "1931 special." It is unqualifiedly non-cancellable to age 70. It is issued in several different forms ranging in period of coverage from 14 months to life. It can be written to cover from the first day or with elimination periods up to 90 days. Complete hospital and surgical coverage will also be added if desired. The number of policies to be issued is limited to 5,000. The classification manual will be followed strictly in determining rates. Not more than \$200 per month will be issued to Classes AA and A and not more than \$100 per month to Classes B and C. Policies will not be issued to classes lower than C.

Tighten on Non-Can

Companies selling non-cancellable accident and health are greatly tightening their underwriting rules. This is in line with the general practice of all companies selling any form of income disability cover this year. The principal

cause is increased moral hazard due to the stock crash and business depression. One of the outstanding companies in the non-can field is accepting absolutely no borderline cases with waiver nowadays. Deafness is taboo, as are any cases involving gastric ulcer, tuberculosis, and even simple goiter. It is said this company has come to the conclusion that it cannot afford to write non-can on any except A-1 cases this year. Inspections are much stiffer, with particular emphasis on the exact financial condition of the applicant.

New Era in Own Building

The New Era Life Association, Grand Rapids, Mich., is celebrating the beginning of its 34th year in business by

moving into its own building at 126 Sheldon Avenue S. E., having converted a large two-story residence into a home office.

The company writes all standard forms of adult and juvenile legal reserve life, also health and accident.

Wolfe Charges Dropped

MILWAUKEE, Dec. 17.—Twelve counts of embezzlement against W. A. Wolfe, former secretary of the Supreme Casualty, were dropped by the state when the case was called this week. In the trial of similar counts against J. J. Tague, former president of the company, a jury found him not guilty.

WITH BURGLARY UNDERWRITERS

Michigan Edict Is Precedent

Banks Throughout Country Are Exercised Over Decision of High Court on Burglary Cover

NEW YORK, Dec. 17.—Banks throughout the country are exercised over press accounts of the decision of the Michigan supreme court in the suit of the Sturgis National Bank against the Maryland Casualty, and are asking insurance offices as to liability under different forms of bank coverage. The court held that under the conditions of the A. B. A. burglary insurance form, which is in general use, a gun used by highwaymen to compel the cashier of the bank to open the vault could not be construed as a "tool," as defined in the policy. The clause provides that the insurance company assumes liability for loss of money or securities taken from a safe or vault by "any person or persons who shall have made forcible entry by the use of tools, explosives, electricity, gas or other chemicals, while such safe is duly closed or locked." The bank, which carried burglary and robbery cover, was robbed in 1928 of \$18,255 cash and \$135,000 bonds, of which \$70,000 was unregistered.

Companies settled under the robbery cover, but the Maryland Casualty under its burglary policy denied liability, in which position it has been sustained by the court. The bank could have secured full insurance for the amount of its loss under a robbery cover had it elected to do so, instead of covering for a restricted sum.

Hold Joint Conference

NEW YORK, Dec. 17.—In an effort to reach a satisfactory agreement on the moot question whether the A. B. A. forms of blank policies assume liability for loss of travelers' checks delivered to correspondent banks for sale, there will be a joint conference between the bank committee, the burglary insur-

ance division National Bureau of Casualty & Surety Underwriters, and the insurance committee American Bankers Association, here early next year.

Convicted in Fake Holdups

Fred Wilkoff, was convicted in circuit court at Goshen, Ind., of attempting to defraud an insurance company through a fake holdup of a jewelry store in Elkhart, Ind. Penalty is from one to three years' imprisonment and a fine of not to exceed \$1,000.

The evidence showed that Wilkoff and his partner, Pheland Wolf, made a claim for more than \$10,000 on the Southern Surety after an allegedly fake holdup of the Wright jewelry store, now involved in bankruptcy litigation. John Moleski and Martin Kramer, both of Chicago, said on the witness stand that they staged the holdup, but took nothing from the store. They said the jewelry already had been removed.

Elect Officers at Next Meeting

At the luncheon meeting last week of the Insurance Credit Clearing Association of Los Angeles, President H. C. Gillespie, Los Angeles manager United States Fidelity & Guaranty, reviewed the organization's work. Everett Charlton, Seyler-Day agency, spoke. Election of officers will be held at the next meeting.

Back Ambulance Chasing Probe

NEWARK, Dec. 17.—New Jersey Casualty & Utilities Claim Men's Protection Association is backing the crusade of Prosecutor Smith of Newark on "ambulance chasing." The association, composed of representatives of 60 casualty and public utility companies and self-insurers, will cooperate to stamp out the evil.

Casualty Club to Elect

The Casualty Underwriters Association of Northern New Jersey will elect officers at its next meeting, Jan. 12, in Newark.

Compensation and Liability Manager

A Middlewest Casualty Company is seeking the services of a man whose experience qualifies him to scientifically rate compensation risks; who has practical knowledge through inspection department, and who is at this time a successful underwriter, assistant manager, or manager, but desires to change through lack of opportunity for further development. To such a man an excellent opportunity is offered.

First reply must give entire experience and qualifications in detail. Otherwise it will be given no consideration. Our employees know of this advertisement. Strictly confidential.

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Martel's victory cost many lives, but it brought security to Europe, enabling the Franks to build their civilization without fear of the Crescent.

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